

# Moslem Kidnappers Say They 'Executed' American Hostage

By Andrew Tarnowski  
Reuters  
BEIRUT — Moslem kidnappers announced Friday the execution of a U.S. diplomat as about half of Beirut's 150-member Soviet community was evacuated to Syria following the kidnapping and murder of a Soviet consular official.

A typewritten statement signed by Islamic Jihad, a shadowy group that has claimed to hold six kidnapped Americans and four Frenchmen, said:

"We announce the execution of the spy William Buckley (following the release of this communiqué) after his trial and conviction for participating in CIA crimes."

There was no way to determine if Mr. Buckley, an embassy political officer, was to be killed immediately, but Arabic experts said the text implied this.

Accompanying photographs showed Mr. Buckley alive but looking emaciated and anguished after 19 months in captivity.

A U.S. Embassy spokesman said the embassy had no reason not to believe that Mr. Buckley had been killed; although his body has not been found.

(President Ronald Reagan said Friday that the United States had no confirmation of the report that Mr. Buckley had been killed. The Associated Press reported from Washington.)

The statement, issued at midnight Thursday, said the execution was in revenge for Israel's air raid on Tuesday on the Tunis headquarters of the Palestine Liberation Organization. It said the raid was "planned and executed jointly by America and Israel."

On Friday morning, the evacuation of about 70 Russians began amid massive security.

A Soviet consular secretary, Arkadi Karkov, 32, one of four Soviet officials whose kidnapping on Monday was claimed on behalf of another Moslem group, was killed Wednesday.

Three hundreds of Soviet evacuees left the heavily fortified embassy compound escorted by dozens of pro-Soviet militiamen, heading for the assembly above Beirut on their way to Damascus.

The convoy followed the same route taken by 39 U.S. hostages in June after they were held for 17 days by Shiite Moslem gunmen who had hijacked their Trans World Airlines plane.

Most of the evacuees were women, who smiled and waved as the convoy pulled out. It was headed by a Druze militia truck carrying a single-barreled anti-aircraft gun, arm escorted by several carloads of armed men.

About 25 men, some of whom said they were diplomats, also left. An embassy official declined to give details. Until Friday there were believed to have been about 45 Soviet diplomats in Beirut.

An anonymous caller demanded Wednesday that Soviet diplomats evacuate the embassy by Friday.

(Continued on Page 2, Col. 4)

# Beirut News Played Down By Soviet

By Philip Taubman  
New York Times Service  
MOSCOW — Compared to the crisis atmosphere and collective angst that usually grip Washington when Americans are held hostage or killed abroad, Moscow has maintained a stoicism this week as four Russians were kidnapped in Lebanon and one of them killed.

There have been flashes of anger, particularly a Kremlin statement Wednesday that called the killing an "atrocity that cannot be pardoned" and accused Israel of being indirectly responsible for the attack.

But, for the most part, the Kremlin has masked any frustration or preoccupation with the developments in Lebanon with a business-as-usual posture and has tightly limited news coverage.

It remains to be seen whether Moscow's alternative approach to handling incidents that usually are given extensive coverage in the American press will succeed.

With one Russian known dead and the three others in extreme danger, the Kremlin has apparently fared no better than the White House in handling Moslem fundamentalists and controlling events in a small, turbulent nation far from its borders.

It is not unusual for Moscow to withhold information about unpleasant events. But, whatever the motivations, in this case the Kremlin produced the kind of restraint in news coverage that many experts on combating terrorism advocate to rob terrorists of the attention they crave.

The controlled flow of news has also prevented the kind of accumulation of public pressure that eventually forced President Ronald Reagan and his senior aides, for example, to focus their attention almost exclusively on the hijacking of the TWA flight last summer and led President Jimmy Carter to concentrate so heavily on the American hostages held in Tehran.

Reagan aides said the intense coverage of the TWA hijacking, including interviews with families of the hostages and live television conversations with some of the Americans held captive in Beirut, generated enormous pressure on the White House to resolve the crisis.

By giving minimal coverage of the kidnappings the Kremlin runs no risk of being pressed to act or not to act.

When the incident began Monday, (Continued on Page 2, Col. 5)



Mikhail S. Gorbachev, left, during a news conference Friday with President François Mitterrand in Paris.

# Mrs. Gorbachev Seen As Elegant, Not Chic

By Aline Mosby  
New York Times Service  
PARIS — Raisa M. Gorbachev may have electrified many Westerners with her elegance, but her first official appearance in the world fashion capital drew mixed reviews.

Female Parisian eyes zeroed in on Mrs. Gorbachev from the moment she stepped off the airplane Wednesday with her husband, Mikhail S. Gorbachev, the Soviet leader.

In Moscow her short hairstyle and wide cape outfits have pushed Russians toward the styles of the West.

In London last December, where the Gorbachevs paid a visit before Mr. Gorbachev became Soviet leader, her furs and high-heeled boots brought excited London headlines, such as "Dressing for Détente."

But in the context of Paris — its beauty, its slender women and luxury stores — Mrs. Gorbachev looks to some fashion observers "rather elegant," but not yet what Parisians call chic.

Pierre Cardin, who outdid a rival, Yves Saint Laurent, by getting Mrs. Gorbachev to come to his fashion show first on Thursday, praised her as "elegant and beautiful." Mr. Cardin does business in the Soviet Union.

Laurence Bourdeley, fashion editor of the newspaper France Soir, agreed that Mrs. Gorbachev, with her smile and poise, is "rather elegant and well dressed. I was surprised."

The gray tweed suit she wore to the Cardin show had a velvet collar and long skirt which is right in style, it was not bad taste," he said.

But, Ms. Bourdeley went on, "the blouse was a bit sad looking. I would prefer red. And the big error is her high-heeled shoes. They should be lower. And she should have worn black stockings."

Mrs. Gorbachev's short haircut brought the opinion "too puffed" (Continued on Page 5, Col. 1)



Raisa Gorbachev talked Friday with Yves Saint Laurent, the French couturier, after seeing his latest fashions.

# Gorbachev Is Positive on Reagan Talks

By Gary Lee  
Washington Post Service  
PARIS — Declaring himself "somewhat encouraged" by a "serious response" from the White House to the package of Soviet arms control proposals presented last week, Mikhail S. Gorbachev set a relatively positive tone Friday for his meeting with President Ronald Reagan in Geneva next month.

"It was not the usual 'No,'" Mr. Gorbachev said during a two-hour news conference held with President François Mitterrand at the Elysée Palace.

But Mr. Gorbachev received a setback for proposals he unveiled Thursday when Mr. Mitterrand said France would not agree to direct negotiations on its nuclear forces with the Soviet Union. Mr. Mitterrand urged the Soviet leader to continue the current negotiations in Geneva on arms reductions with the United States.

Mr. Gorbachev, making his first visit to the West since taking power in March, had proposed that France and Britain open direct talks with the Soviet Union on reducing medium-range missiles based in Europe. Britain also indicated Friday it was not ready to accept the Soviet offer to negotiate.

Mr. Gorbachev, 54, coupled his repeated calls Friday for a renewal of the spirit of détente with continuing sharp criticism of President Reagan's Strategic Defense Initiative, which he said must be halted if the two superpowers were to make any progress in negotiating arms reductions.

But he also voiced a judgment that talks in New York last month between Secretary of State George P. Shultz and his foreign minister, Eduard A. Shevardnadze, had given him "an impression of promise" for the Geneva summit.

Asked about the prospects for failure at the Geneva meeting, Mr. Gorbachev replied: "Let us not prejudge the summit."

At another point, he added, "We have decided to add complementary proposals to give impetus to the Geneva negotiations," apparently signaling that the Soviet Union's strategy of appealing to Western countries with a series of arms-related plans will continue in the weeks before the summit, scheduled to take place on Nov. 19 and 20.

In addition to the package of arms proposals the Soviet Union outlined to U.S. leaders in September, and Mr. Gorbachev presented before the French National Assembly on Thursday, the Soviet leader has proposed a joint ban on testing of nuclear weapons, and a moratorium on deployment of intermediate-range weapons.

Mr. Gorbachev, the first Soviet leader in memory to hold an organized international press conference, projected a broad-ranging grasp of the world's problems during the conference.

Arms control dominated the public and private exchanges between Mr. Gorbachev and Mr. Mitterrand, who concluded three days of talks Friday. The Soviet leader was returning Saturday to Moscow.

Seated a few inches from Mr. Gorbachev, Mr. Mitterrand based his stiff rejection of the Soviet proposal on his contention that the French missile force was too small to permit him to negotiate any of it away.

"France must stay above the (Continued on Page 4, Col. 7)



Mrs. Gorbachev studied Olympia by Edouard Manet at the Jeu de Paume museum.

# U.S. Unemployment Rose Last Month As Manufacturing Jobs Fell Sharply

By John M. Berry  
Washington Post Service  
WASHINGTON — The U.S. civilian unemployment rate rose one-tenth of a percentage point to 7.1 percent last month as the curbing of more than half a million persons into the labor force more than offset a 372,000 increase in the number of jobs, the Labor Department reported Friday.

The number of manufacturing jobs dropped by 110,000, the largest one-month loss since the end of the 1981-82 recession in the United States. Manufacturing employment has declined by about 340,000 since January, primarily because of a large rise in the volume of imported goods.

The unemployment rate for blacks rose to 15.3 percent after having dropped a full percentage point to 14 percent the previous month. The rate for whites fell from 6.2 percent to 6.1 percent.

Even though the length of the average factory workweek rose by one-tenth of an hour, with the decline in the number of jobs the total number of hours worked fell. That suggests that there was little if any increase in industrial production in September, analysts said.

Janet L. Norwood, commissioner of labor statistics, told the Joint Economic Committee of Congress that although the unemployment rate rose from August's 7.0 percent level, the figure "remained below the February-July plateau" of 7.3 percent.

"The civilian labor force broke out of the no-growth pattern which existed from March to August and increased by half a million in September, most of the gain about evenly split between adult men and women," she said.

In the past 12 months, the civilian labor force has increased by about two million workers, with about four-fifths of the rise occurring among adult women, Mrs. Norwood said.

"At 98.1 million, the overall number of nonfarm payroll jobs was up very slightly from the August level," she said. "Gains took place throughout the service-producing sector and in construction."

In contrast, manufacturing employment declined by 110,000, with the largest losses in machinery, electrical equipment and motor vehicles. Part of the decline in automobile-industry employment resulted from strike activity and part from the changed patterns of retooling for new cars.

Mrs. Norwood said that since January the number of jobs in services has gone up by 770,000, in retail trade by 450,000 and in construction by 180,000.

"In manufacturing, however, there has been a loss of 340,000 jobs, with nearly half of the drop occurring in machinery and electrical equipment," she said.

Labor Secretary William E. Brock issued a statement in which he stressed the positive aspects of the employment report, mentioning neither the rise in the unemployment rate or the drop in manufacturing employment.

"Almost 100.3 million Americans were working in September — another record high," Mr. Brock said.

"And 8.5 million Americans have been added to the payrolls in the last 34 months — an average of 250,000 a month," he added.

"The length of the manufacturing workweek in September grew to 40.7 hours, the longest in more than a year," the labor secretary said. "Meanwhile, our service and construction industries continued to register healthy employment increases."

(Continued on Page 3, Col. 6)

# Evidence Is Found of Ancient Worldwide Firestorm

By John Noble Wilford  
New York Times Service  
NEW YORK — Scientists say they have discovered the first direct evidence, 65-million-year-old soot, that fire once swept the world and contributed to the mass extinctions of dinosaurs and many other forms of life.

In a report in the journal Science, published Friday, chemists of the University of Chicago said the "surprisingly large amount" of soot appeared to be worldwide and could only have been produced in flames or hot gases. They said it represented fallout from a dense smoke cloud that must have brought a killing darkness and chill to the world.

The soot discovery introduced another lethal factor, fire, to the scenarios of catastrophe. The conflagration set off by the impact probably destroyed much of the world's vegetation, the chemists surmised.

The flames consumed oxygen and poisoned the air with carbon monoxide. The smoke, even more than the dust clouds, absorbed sunlight and sent temperatures plunging worldwide.

The scientists also said the discovery suggested that nuclear warfare's wintry effects on climate could be more extensive and devastating than had been predicted.

In their report, the team of Chicago scientists, Wendy S. Wolbach, Dr. Roy S. Lewis and Dr. Edward Anders, called the soot found in the sediment at three widely separated sites "an ancient analog of the smoke cloud predicted for nuclear winter."

"It may therefore help determine some important parameters for the nuclear winter calculations," they added.

As often happens in science, the investigators were looking for something else when they discovered the soot. Dr. Anders, a professor of chemistry at the University of Chicago's Enrico Fermi Institute, said in a telephone interview that clay samples from Denmark, Spain and New Zealand were examined for traces of noble gases, such as xenon and neon, that could have been residue of the impacting meteorite.

These samples were from the same sediments in which geologists found anomalous amounts of iridium, an element rare on the surface of the Earth but more abundant in meteorites.

It was this discovery, since reinforced by findings at more than two dozen other sites around the world, that led Dr. Luis W. Alvarez, a Nobel prize-winning physicist at Lawrence Berkeley Laboratory, and his son, Dr. Walter Alvarez, a geologist at the University of California at Berkeley, to their asteroid-impact hypothesis to explain the mass extinctions.

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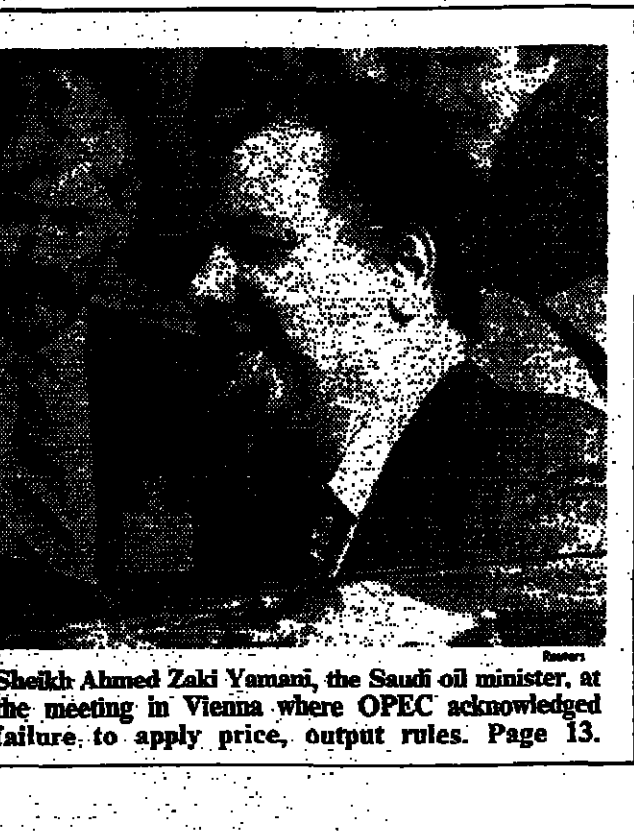
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Sheikh Ahmed Zaki Yamani, the Saudi oil minister, at the meeting in Vienna where OPEC acknowledged failure to apply price, output rules.

# New Zealand Is Relishing Battles With Two Giants

By Seth Mydans  
New York Times Service  
WELLINGTON, New Zealand — For this small South Pacific nation more or less between Australia and the South Pole, the sudden limelight from its diplomatic battle with France has been dazzling.

Since the Greenpeace vessel Rainbow Warrior was sunk by French agents three months ago, New Zealanders have been astonished to find themselves in the role of hero as the French government concedes more and more guilt.

And that is not all. A dispute over the defense alliance between Australia, the United States and New Zealand has pitted New Zealand against a second Western giant, the United States.

By insisting on barring nuclear-armed and nuclear-powered warships from its ports, New Zealand has pushed Washington toward revising or abandoning the treaty that has served the three partners without serious problems since 1951.

The wrangles with France and the United States have aroused feelings of both self-assurance and uneasiness here about future relations with countries seen as New Zealand's protectors.

"It's all very well to say, anti-nuclear, anti-nuclear," said Ashley Lovett, an airline representative. "Somebody's having a very good time posturing. But we have to live in a modern world, which people conveniently forget. So now we're all alone."

France is considered a key ally in the European Community, whose backing has helped ensure a market for the agricultural exports on which New Zealand's economy relies.

Washington's friendship and its defense commitments have provided an essential sense of security for a nation acutely aware of its isolation from its Western allies.

But for the moment, there is a heady sense here of holding the moral high ground in the two disputes, both of which grow out of New Zealand's opposition to nuclear arms. Prime Minister David Lange, taking a hard line in both cases, appears so far to have been getting the best of things.

The garrulous prime minister seems to be enjoying himself as much as he did in March at a debate over nuclear arms at Oxford University.

The audience at the forum agreed that Mr. Lange had trounced Jerry Falwell, leader of the Christian evangelical lobbying group known as Moral Majority.

"It boosts New Zealand's profile in the world, although the point of that is somewhat moot," Mr. Lange said of New Zealand's newfound international prominence. "We would also have a higher profile if we had a calf with eight legs."

In a recent interview, he conceded that two simultaneous international crises were stretching the resources of his government. He illustrated his reaction to the situation by seizing a handful of his graying hair and tearing at it.

Government officials assigned to everything from educational reform to Antarctic affairs have been put to work on Greenpeace and on ANZUS, the defense alliance is known.

"I'm sure all my government ministers would be worn-out husks after two years on the job if we were running at the pace we have been running," Mr. Lange said.

Critics led by the opposition National Party leader, Jim McLay, have accused Mr. Lange of having too good a time, and even of acting like a

(Continued on Page 5, Col. 4)



Prime Minister David Lange



## U.S., in Wake of Tunis Raid, Warns Israel Not to Attack PLO in Jordan

By Norman Kempster  
Los Angeles Times Service

NEW YORK — The United States has implicitly warned Israel against attacking Palestinian Liberation Organization bases in Jordan the way Israeli planes attacked a PLO facility in Tunisia on Tuesday, a senior State Department official said.

King Hussein of Jordan "probably has as good or better a record of fighting terrorism as anybody," the official said Thursday. Asked whether the United States had issued any warning to Jerusalem, he responded, "I think they are well aware of King Hussein's record on terrorism."

Ariel Sharon, the former defense minister, told Israeli reporters earlier this week that Hussein should learn a lesson from the Tunis attack and remove PLO offices from Amman.

"Israel under no circumstances can tolerate the presence of terrorist organization commands so close to its border," said Mr. Sharon, who now serves as minister of industry and trade in the coalition government.

Asked this week whether Israel would attack Jordan, Prime Minister Shimon Peres said, "I differentiate between Tunis and Jordan. Jordan fights terrorism and doesn't let terrorists leave its borders for Israel. Tunis gave refuge to the headquarters of the PLO."

The State Department official, who spoke to reporters on the condition that he not be identified, said the United States would urge the world community to deny sanctuary to terrorism and groups that promote terrorism.

The official said Israel had obtained intelligence information that the PLO base near Tunis was linked to some of the recent terrorist attacks against Israeli citizens in Israel, the occupied West Bank of the Jordan River and Cyprus.

The officials made clear that this information prompted the Reagan administration to express its understanding for Israel's reasons in attacking Tunisia, a U.S. ally with



Vernon A. Walters

which the Israelis have no direct quarrel.

U.S. spokesmen say the PLO administrative offices in Amman have not been linked directly to terrorism.

But the Israeli government contends that terrorism is the PLO's only function, and often attempts to hold the organization responsible for all attacks on Israel, even ones for which other organizations claim responsibility.

**U.S. Rebukes Its Accusers**  
Don Shannon of the Los Angeles Times reported from the United Nations in New York:

The second day of Security Council debate over the Israeli raid in Tunisia broke off Thursday in a heated exchange between the United States and Libya.

The U.S. ambassador, Vernon A. Walters, president of the 15-nation council, angrily rebuked the foreign ministers of Libya and Cuba, who had accused the United States of complicity in the Israeli attack.

"My country has fought two great wars for freedom in this century," Mr. Walters declared before adjourning the session until Friday. "We have annexed no territory nor have we enslaved any people."

He said the United States had nonetheless "suffered grievously at the hands of terrorists," citing the killings of U.S. ambassadors and the hijacking of U.S. citizens.

"From states like Libya or Cuba, we accept no lessons in international conduct, nor do we permit them to determine our foreign policy," Mr. Walters said.

Foreign Minister Ali Abdel-Salem Treiki of Libya had charged that Israel could never be curbed because "the plague of Zionism" is protected by the U.S. veto in the Security Council.

At a news conference, he said the United States had refused the Israeli bombers that struck the PLO's headquarters near Tunis.

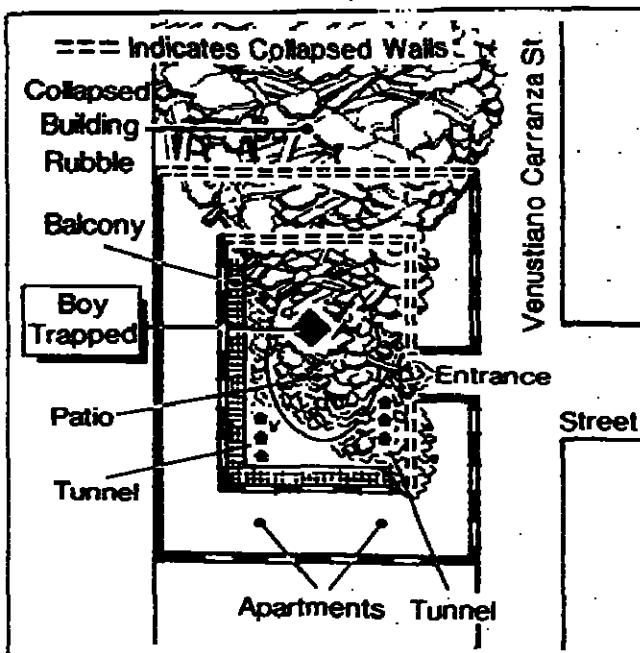
"In the last few days, the Americans said one Libyan plane passed the Tunisian frontier, but they didn't see six Israeli planes," the Libyan official said.

The United States has denied that it assisted the Israelis and says it was informed of the raid only after the Israeli planes struck.

At the council's session Wednesday, the Cuban foreign minister, Isidoro Maluquer Peoli, pointed to the White House's original defense of the Israeli action as legitimate, a position that was later modified.

Mr. Maluquer said that the United States was considering a similar strike against Nicaragua. No resolution has been formally presented to the council. Tunisia has asked the body to condemn Israel and has demanded the payment of reparations for the loss of human life and property.

An Israeli source who spoke on condition that he not be identified reported that Foreign Minister Yitzhak Shamir of Israel contacted Secretary of State George P. Shultz privately Thursday and asked him to ensure a U.S. veto of any condemnation of Israel.



A diagram showing, from above, the apartment building where 9-year-old Luis Ramon Nafarrate is trapped.

## Moslem Group in Beirut Says U.S. Hostage Killed

(Continued from Page 1)

afternoon or it would be "demolished over their heads."

The purported announcement of Mr. Buckley's killing, sent to newspapers and news agencies in Beirut, said it was "in revenge for the blood of martyrs" killed in the Israeli air raid against PLO headquarters.

The communiqué from Islamic Jihad charged that Mr. Buckley, 57, was the Central Intelligence Agency station chief in Beirut before his March 1984 kidnapping.

The group said it would release parts of a confession that it said Mr. Buckley had made, and it cited its Sept. 14 release of a Presbyterian minister, Benjamin M. Weir, as proof of its goodwill toward the American people.

It did not mention five other Americans and four Frenchmen who have been abducted in Moslem-controlled West Beirut, but said the Israeli raid was "a clear sign of the failure of every form of reconciliation with Israel and America."

Washington has repeatedly rejected the kidnappers' demands that it put pressure on Kuwait to release 17 Arabs jailed for bombings in Beirut, in return for release of the Americans.

A cease-fire in the northern city of Tripoli, which was negotiated

during talks in Damascus between Tripoli's fundamentalist leader, Sheikh Saïed Shaban, and President Hafez al-Assad of Syria, was due to take effect at midnight on Thursday.

The cease-fire opened the possibility that three Soviet officials who were abducted Monday might be freed. A group called Islamic Liberation Organization — Ibn al-Walid forces has claimed responsibility for the kidnappings.

The kidnappers have demanded that the Kremlin put pressure on Syria to lift an assault by pro-Syrian militias on Moslem fundamentalists in Tripoli in return for freeing the hostages.

Radio reports said some fighting and shelling continued and it was not clear if radical fundamentalist commanders in Tripoli would accept the agreement to hand their heavy weapons to Syrian troops and let them enter to take charge of security.

Moscow is a close ally of Syria and its main arms supplier.

## Soviet Press Remains Stoic In Reporting Beirut Attacks

(Continued from Page 1)

day with the abduction of three Soviet officials and the embassy doctor in Beirut, there were no interruptions of television programming for news bulletins. Neither did the story lead the evening news programs. In fact, there was not a word about the attack. Tuesday's newspapers contained no mention of it.

The first report about the incident was broadcast on television and simultaneously published by Tass on Tuesday evening, more than 24 hours after the kidnappings.

The short, dry statement, reproduced Wednesday on page five of Pravda, called the kidnappings a "heinous crime" committed by "bandits" from an "arch-reactionary ultra right-wing organization."

## U.S. Senate Panel Backs Silent Moment at School

WASHINGTON — The Senate Judiciary Committee has approved a proposed constitutional amendment that would allow public schools to set aside a moment for silent prayer or meditation in public schools.

The amendment adopted by the panel Thursday must be approved by a two-thirds vote of both houses of Congress and ratified by 38 states to become part of the U.S. Constitution. It is aimed at blunting the effect of a Supreme Court decision that banned moments of silence designed solely to promote religion.

## CHURCH SERVICES

PARIS  
CENTRAL BAPTIST CHURCH, 13 Rue de Valenciennes, 75006 Paris, Metro St. Sulpice. Sunday worship in English 9:45 a.m., Rev. A. Somerville, Tel. 607.67.02.

PARIS SUBURBS  
EMMANUEL BAPTIST CHURCH, 56 Rue des Bains-Rouges, 92110 Malmaison. English speaking, evangelical, all denominations. S.S. 9:45. Worship 10:45. Other activities. Call Dr. B.C. Thomas, Pastor, 749.15.29.

STOCKHOLM  
BAPTIST CHURCH, new city center. Friendly christian fellowship. Sunday 11:00. Tel. (08) 316031, 151225.

SALZBURG  
INTERNATIONAL BAPTIST CHURCH, Schönbühelstrasse 18 (in Lehen), Phone (0602) 289713 or 333442. WORSHIP for all denominations. 11:15 a.m., Sundays. BIBLE STUDY, 10 a.m., Sundays. 7:30 p.m., Tuesday, Dr. Ray W. Berfield, Pastor. WELCOME. (Only English language church here.)

TOKYO  
CHRISTIAN CHAPEL, NEW OTANI HOTEL GARDEN, open daily 8:30-10:30 a.m. Sunday 8:30-10:30 and 11:00-12:00. Tel. 255-1111, Don McElroy, Chapel Director.

To place an advertisement in this section please contact:  
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181 Ave. Ch.-de-Gaulle,  
92521 Neuilly Cedex, France.  
Tel. 747.12.65.

## Rescuers Close In on Trapped Boy In Mexico

Compiled by Our Staff From Dispatches

MEXICO CITY — Mexican silver miners worked nonstop Friday to extricate a nine-year-old boy from the ruins of an apartment block where he has been trapped for 15 days since the worst earthquake in Mexico's history.

Rescuers heard Luis Ramon Nafarrate's voice early Friday as he appealed for help. "Get me out, get me out," he called. Later in the day, rescue workers said that they shouted through mounds of rubble and heard the boy's faint voice.

Jorge Negrete, a spokesman for the workers, said that rescuers asked the boy if he was there and the child answered: "Yes." He said the workers did not try to talk to him further because they did not want to exhaust him.

Mr. Negrete said the brief talk with the boy came after the discovery of a cistern in the debris. He said that it was trickling water to where the child was believed trapped.

The miners from the coal town of Taxco, 90 miles (150 kilometers) south of Mexico City, were working on bands and knees at the end of a 14-yard (13-meter) tunnel.

The inclined tunnel was one of four built to approach the boy from different angles. Rescuers could not say when they would reach him. The boy was discovered by chance on Wednesday after police heard sounds from the rubble of his former home in the center of the city.

The Sept. 19 earthquake, measuring 8.1 on the open-ended Richter scale, killed at least 7,000 people. Thousands are still missing. The boy is thought to be the last of the missing who will be found alive.

Huddled under blankets in a small car 30 yards from the scene, the boy's parents said they were confident that he would be pulled out alive.

Rescue workers said the operation was proceeding slowly because they had to hollow out a circuitous path to avoid dislodging rubble and hurting the boy. (Reuters, AP)

## WORLD BRIEFS

### Labor Party Votes to Back Nicaragua

BOURNEMOUTH, England (UPI) — The Labor Party resolved Friday that a future Labor government in Britain may supply arms to Nicaragua to fight U.S.-supported "contra" rebels.

The opposition party, on the last day of its annual convention, unanimously passed a resolution condemning U.S. foreign policy in Central America.

The party resolved that "a future Labor government will put pressure on the United States to cease funding the contra forces and failing that, to supply military aid to Nicaragua for as long as, and as a counterbalance, to contra forces which are similarly supplied by the United States government, the Central Intelligence Agency, private sources, etc."

### U.S. Deploys 2 Military Satellites

CAPE CANAVERAL, Florida (AP) — The crew of the new U.S. space shuttle Atlantis deployed two advanced communications satellites on Friday as it continued its secret military mission, reliable sources said.

Neither NASA nor the Defense Department would confirm the deployment of the satellites, which were attached to the same rocket stage. The rocket was to boost them into stationary orbit 22,300 miles (36,100 kilometers) high, where the payloads were to separate and travel to different stations. The National Aeronautics and Space Administration's only statement came five minutes after liftoff Thursday, when it said the crew was "doing well" and that all systems on board were "performing satisfactorily."

The flight is expected to last four to five days, with the astronauts conducting a series of experiments. Sources identified the cargo as two defense communications satellites of the new model DSCS-3, which are shielded against the electromagnetic pulse effects of nuclear explosions. Such satellites would be used by the U.S. president in an emergency to transmit orders to American nuclear forces around the globe.

### New Probe Opened in Pope Shooting

ROME (AP) — Italian magistrates have opened another investigation into the shooting of the pope following trial testimony that implicated several unidentified Turks, a judicial source said Friday.

This will be the third investigation of the assassination attempt carried out at the Vatican May 13, 1981, by Mehmet Ali Agca, a Turk. In the first trial, Mr. Agca claimed that he had acted alone and he was sentenced to life in prison. But he later turned state's evidence and said that an international conspiracy had been organized to kill the Polish-born pontiff.

In a second trial, initiated last May in Rome, seven persons were indicted following Mr. Agca's declarations. Three of the men indicted are in Italian custody and four are being tried in absentia. The purpose of the new investigation is to determine if others should be indicted.

### Portuguese Election Campaign Ends

LISBON (Reuters) — Portugal's political parties wound up a three-week general election campaign on Friday.

The 11 parties and political groups appealed for a high turnout of the country's 7.6 million voters on Sunday, saying that the result is crucial to political stability and economic recovery before the country's entry into the European Community in January.

Observers foresaw a tough battle between the former allies in the outgoing government — the Socialists led by Prime Minister Mario Soares and the Social Democrats headed by Anibal Cavaco Silva, an economist.



Anibal Cavaco Silva

### 10 Churches Invited to Vatican Synod

VATICAN CITY (UPI) — Pope John Paul II has invited 10 Protestant and Orthodox churches to send observers to a worldwide bishops' synod that will review the reforms of the Second Vatican Council, the Vatican said.

The pontiff also named two U.S. cardinals, John Krol of Philadelphia and Bernard Law of Boston, as special delegates to the extraordinary meeting, scheduled to be held from Nov. 25 to Dec. 8.

The Vatican declined to identify the churches invited, but Archbishop Jan Schotte, the synod's secretary-general said that all were currently involved in ecumenical discussions with Rome. The Anglican, Lutheran, Methodist, Greek Orthodox, Russian Orthodox, Presbyterian and Baptist churches are among the faiths discussing Christian unity with the Vatican.

### Zimbabwe Parties Agree on Merger

HARARE, Zimbabwe (NYT) — The country's two major political parties have reached a broad agreement to merge at a meeting between Prime Minister Robert Mugabe and the opposition leader, Joshua Nkomo, it was announced.

Officials close to the talks said Thursday that Mr. Mugabe will serve as president of the party and Mr. Nkomo will be one of two vice presidents. Relations between the two current parties, Mr. Mugabe's Zimbabwe African National Union and Mr. Nkomo's Zimbabwe African People's Union, have been marked by personal and ethnic antagonisms.

Mr. Mugabe was to leave Friday on a three-week trip to the Caribbean and to New York, where he will address the United Nations. Final approval of the merger is scheduled after his return.

### For the Record

Russia launched two satellites, a communications satellite and the latest in the Cosmos series, the news agency Tass said Friday. (UPI)

Prime Minister Nikolai Ryzhkov of the Soviet Union held talks Friday in Moscow with Vice Chancellor Norbert Steger of Austria, his first meeting with a senior foreign official since his appointment last week. Tass reported.

The U.S. Senate confirmed James C. Miller 3d on Friday, by a 90-2 vote, to succeed David A. Stockman as director of the Office of Management and Budget. (AP)

### Correction

Because of a caption error by the Camera Press agency, a photograph of Richard Eyre, a British director, was identified in the Oct. 4 Weekend section as David Hare, the playwright. Mr. Hare is shown at left.



## Briton Says He Was Held in Beirut

By Ralph Blumenthal

New York Times Service

NEW YORK — A British writer reportedly abducted in Beirut by a Christian rightist group turned up Thursday in London saying that he had been released. He said an American colleague was still being held by the armed group.

The writer, Anthony Haden-Guest, identified the American as Steven Haden-Guest, a Hollywood producer. He said they were collaborating on a book about the narcotics trade in Lebanon and its political implications. Their abductions, he said, were linked to the project.

Mr. Haden-Guest's wife, Joanna, said she had known for some time that her husband was being held, but that the State Department had only given her clearance Thursday to make the case public.

James Callaghan, a State Department spokesman in Washington, said Mrs. Donahue had told the government this week that her husband had been held "against his will" in Lebanon since August and that Mr. Haden-Guest was with him.

Mr. Callaghan said the department was investigating the cases, but they were "not political" and

"not comparable" to other recent seizures of American hostages.

He said that he and Mr. Donahue had been subjected to a series of abductions by various rightist factions.

The most recent, he said, occurred in New York shortly before midnight Thursday to announce his arrival in London. Reached there, he said he had been freed by his captors and allowed to depart by road to Damascus. From there, he said, he flew to Paris, then on to London.

He said Mr. Donahue was "a bit frail," but was being well treated by his captors, whom he identified as part of the Rahme family, a Christian rightist group. He said the group might be willing to release Mr. Donahue in several weeks.

Mr. Haden-Guest, 48, is a contributing editor of New York magazine and the author of a 1982 nonfiction book, "Bad Dreams."

He said he visited Lebanon several times to gather material on drug trafficking for a book and a Playboy magazine article. He said Mr. Donahue, who was knowledgeable on the subject, was assisting him.

Sept. 28, when members of the Rahme group seized the two men from the custody of another faction at a Beirut restaurant. But Mr. Haden-Guest said that he had been released several times, and that Mr. Donahue was the main target.

He said he and Mr. Donahue previously had been held by a rival rightist group called Lahoud. Lahoud, he added, had "kidnapped" Mr. Donahue from the Rahme group.

**Special Unit Formed To Seek Rapists in U.K.**  
LONDON — Scotland Yard has set up a special squad to track rapists who, posing as joggers, have attacked at least 23 women on the streets of London, the police disclosed Friday.

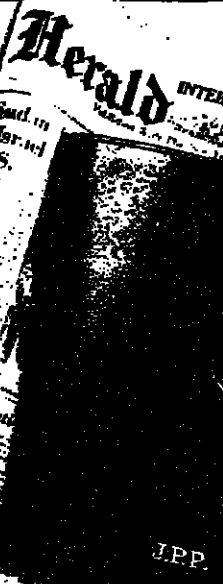
A spokesman said the team of 30 investigators had started the biggest operation of its kind in the British capital to capture two young white men believed responsible for a string of attacks on women during the past three years.

# The Ideal Travel Wallet

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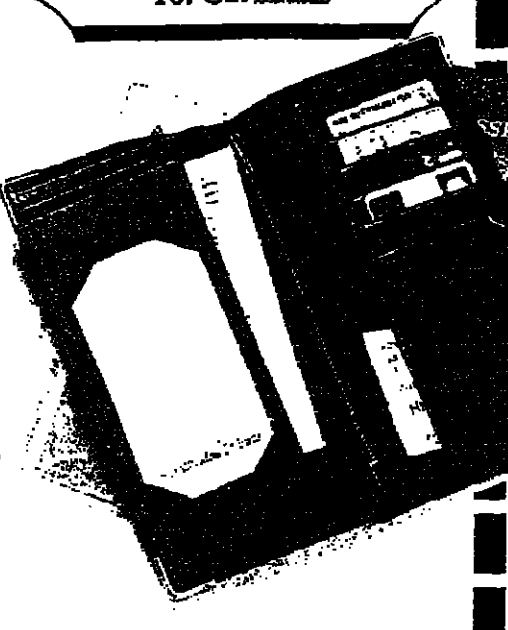
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## House Unit Votes to Bar Tests of Space Weapon If Soviet Ban Continues



Norman D. Dicks

## Plan Backed To Balance U.S. Budget

By David Hoffman  
Washington Post Service

WASHINGTON — President Ronald Reagan endorsed Friday a congressional plan to force a balanced U.S. budget by 1991, as Congress prepared to vote on legislation raising the federal debt ceiling to more than \$2 trillion.

Mr. Reagan called the congressional plan "an historic agreement to bring U.S. spending under control and at long last put the United States on a path to a balanced federal budget." He said the 11-year-old congressional budget process "has failed."

The plan would force reductions of roughly \$36 billion a year in the U.S. budget deficit, which is now estimated at \$180 billion for the current fiscal year, 1986. By 1991, the budget would be balanced.

The plan is attached to the legislation raising the debt ceiling above the \$2-trillion mark. The government's cash balances are expected to run out by Monday, forcing Congress to act so the government can continue borrowing to pay its bills.

Mr. Reagan's endorsement followed a groundswell of support for the plan on Capitol Hill.

On Thursday, Senate and House Republican leaders "divided" ranks behind the plan and the speaker of the House, Thomas P. O'Neill Jr., said that Democrats, as well, may embrace "something of that nature."

The plan is similar to past efforts by the White House to set yearly targets that would gradually reduce the deficit. However, Mr. Reagan was unwilling in the past to make the deep cuts in military and domestic programs that would lead to a balanced budget, and Congress also proved unwilling to make them.

The new plan would set the targets in law, possibly making it more difficult for both Mr. Reagan and Congress to avoid them.

The president said in endorsing the plan that he still expected Congress to meet past commitments for military spending to rise 3 percent above inflation each year.

He also vowed that "we will honor our commitments on Social Security," without saying what those commitments are. Mr. Reagan has tried twice this year to reduce Social Security benefits.

Mr. Reagan also appealed Friday for approval of a constitutional amendment balancing the budget.

While Congress earlier this year approved deficit reductions of \$55.5 billion for next year, deficit remains the dominant issue on Capitol Hill.

In other congressional action Thursday, the House Ways and Means Committee, finally broke a three-day deadlock over procedure and took its first votes on overhauling the tax code.

It agreed to an amendment that would increase the deficit unless taxes were raised in other parts of the tax code.

The committee decided not to tax workers' compensation, black lung (a miners' ailment) benefits, or workers' disability payments, although both Mr. Reagan and the chairman of the House Ways and Means Committee, Dan Rostenkowski, Democrat of Illinois, had wanted to impose such taxes.

The panel also voted to repeal income averaging, which now allows taxpayers with large jumps in income from one year to another to avoid sharp increases in taxes. Mr. Reagan and Mr. Rostenkowski favored repeal.

Retaining income averaging would have cost billions of dollars in revenue, leaving the committee even further in the hole.

Although the votes were the first substantive moves that the committee has made, they marked only a tiny step in the long process of tax overhaul.

Staff aides said the fact that the first day's action leaves the committee with reduced U.S. revenue was not significant. They pointed out that all committee actions are tentative and subject to change.

"It's going to be a slow process," said the ranking committee Republican, John Duncan of Tennessee. "I would think a real good month."

New York Times Service

WASHINGTON — A House subcommittee has voted to block future tests of the U.S. Air Force's new anti-satellite weapon as long as the Soviet Union continues a moratorium on similar testing, congressional sources said.

The panel, the House Appropriations Subcommittee on Defense, also approved Thursday a military spending bill for the new fiscal year of \$292 billion, the same level permitted in 1985. That is \$10 billion less than the amount Congress approved in earlier budget actions.

The subcommittee's actions face screening by a House-Senate conference committee.

The subcommittee also voted to trim President Ronald Reagan's anti-missile defense research program to \$2.5 billion from \$2.75 billion. Representative Norman D. Dicks, Democrat of Washington, predicted that an effort would be made to cut the program further as the appropriations measure moved through Congress.

Pentagon officials said that the cut had been expected and that they hoped the Senate would restore at least part of the money. Mr. Dicks said the subcommittee also canceled an air force air-to-air missile, the Anström, but did not cut any other major arms programs.

The House voted earlier this year to ban tests of the anti-satellite weapon, an airborne rocket that sends a high-speed, nonexplosive warhead into orbit. But the ban was overturned in a House-Senate conference committee, and last month the air force succeeded in destroying an orbiting satellite in its first test against a space target.

The new move toward halting testing is expected to stand a better chance because the conferees who will ultimately work out the bill's details are considered sympathetic to controlling space weapons. But Mr. Dicks, who sponsored the ban with Representative Les AuCoin, a Democrat of Oregon, said it would still be "very difficult to make it stick."

Critics of anti-satellite weapons said that once they were fully tested it would be impossible to limit their use effectively through an arms control treaty. They said a treaty was needed to protect military satellites on which the United States depends for reconnaissance and early warning of an attack. The administration has said such a treaty could not be enforced.

## State Dept. Withdraws Kahane's Citizenship

The Associated Press

WASHINGTON — The State Department said Friday that Rabbi Meir Kahane, founder of the militant Jewish Defense League, has been stripped of his U.S. citizenship because of his membership in Israel's parliament, the Knesset.

By becoming a foreign government official, the rabbi disqualified himself to remain a U.S. citizen.

## Sub Finds Abundant Life In Lake Superior Probe

By Kevin Klose  
Washington Post Service

CHICAGO — Tiny shrimp carpet the depths in unimagined profusion, and steep, rocky cliffs rise abruptly from a smooth plain.

Fish carve and sculpt caves so ingeniously that the bottom is actually being changed, and smoken valleys are so thickly covered with algae that they look like Alpine meadows.

This picture of abundance, scientists were surprised to learn recently, is Lake Superior, North America's largest body of fresh water.

Explorers say their pioneering voyage hundreds of feet below the surface in a minisubmarine called Sea-Link II revealed important new information about the largest of the five Great Lakes.

"It has given us an important feeling for the first time of what the lake is really all about," said David Long, an investigator on the expedition.

More than two dozen scientists explored the lake in Sea-Link II. One of their most important preliminary findings, they said, is that

the lake's waters are far more abundant with fish and aquatic life than surface surveys had indicated.

Scientists at Midwestern universities and institutes said that data collected during the expedition may bring a new understanding of major environmental issues facing the United States and Canada.

A second series of minisubmarine probes is planned for next year.

Until the arrival in July of Sea-Link II and its mother ship, the research vessel Seward Johnson, no submersible vessel had been capable of investigating the lake's deep waters for extended periods of time.

Ever since inland lakes became seriously polluted in the postwar years, U.S. and Canadian scientists have been trying to understand their ecology by sampling water, bottom layers, temperature and wind and water currents.

Because Sea-Link II can dive to great depths for as long as four hours, it is well suited to those tasks. Self-propelled, it has a large, spherical glass cabin and looks like a fish bowl surrounded by plumbings.

## Iran Says UN Fails to Represent Values of Majority

By Elaine Sciolino  
New York Times Service

UNITED NATIONS, New York — Foreign Minister Ali Akbar Velayati of Iran has denounced the United Nations as a post-World War II alliance of victors that "does not represent the shared values of the majority" of its members.

Mr. Velayati said Thursday: "The indifference and feeble reactions of the United Nations, and especially those of the Security Council, to the repeated acts of aggression by the Iraqi regime against Iran has given the world a very unfavorable impression of the United Nations in dealing with international tensions and crises."

Iran has consistently accused the Security Council of failing to condemn Iraq for starting the state-mated five-year-old border war. Although Iraq has expressed a willingness to negotiate a settlement, Iran has refused to end the war

until Iraq is condemned, Iraqi citizens are repatriated, war reparations are paid, and President Saddam Hussein of Iraq is overthrown.

Mr. Velayati characterized the efforts of Secretary-General Javier Pérez de Cuellar to end the war as "sincere." But he defended unilateral military actions against Iraq as "the only means of stopping or reducing aggression."

Mr. Pérez de Cuellar is the only mediator trusted by both sides, but he has been unable to convince the Iraqis to agree to comprehensive negotiations.

Mr. Velayati, in language characteristic of Iranian officials in UN forums, referred to the Israelis as "latter-day Nazis" in condemning the recent Israeli bombing of the Palestine Liberation Organization headquarters in Tunisia.

For the first time in four years, however, Iran did not call for the expulsion of Israel from the United Nations. In the last three sessions,

popularity remained high, however, at more than 60 percent.

The 1984 edition of the Old Farmer's Almanac has predicted another cold, snowy winter for the United States. The almanac is best known for its prediction of an entire year's weather three months before the year begins. It missed out on the recent hurricane designated Gloria, but correctly forecast the first hurricane of 1983, although a week early. Judson Hale, the editor, said, "We use the latest of scientific information. We really make a very serious effort."

Drivers who aren't sure if they have had one drink too many can now attach a \$295 breath-test device to their ignition that prevents them from starting the car if they have had enough alcohol to fail a police test. An override allows the car to be started without a breath test, but the driver has been warned. Some parents are having the device installed in the family car for their teen-age children.

Who is going to invest in farm land at a time when farmers are going broke and land prices are declining? City folks, that's who, as a tax shelter. They often invest for a limited number of years, with the farmer having the option of buying his land back when times get better. U.S. News & World Report magazine reports that a dozen or more companies have sprung up to pump outside money into agriculture and that at least one Wall Street firm is forming an agricultural investment unit.



The sub and mother ship left in late July and tracked across more than 500 linear miles (about 800 kilometers) of Lake Superior before returning about a month ago.

Dr. Jerry Kaster, a biology professor at the University of Wisconsin at Milwaukee, said explorers found the lake bed thick with tiny crustaceans known as opossum shrimp, a major food source for fish.

No light pierces the darkness 900 feet (274 meters) below the surface at day or night. When the sub's spotlights cut through the blackness, Dr. Kaster said, he was astonished to see the lake floor sparkle

with millions of tiny dots of light. "You could see the shrimps' tiny eyeballs everywhere. The water lit up with the reflection of their eyes," he said. "I never expected it to be like that."

William Cooper of Michigan State University, coordinator of the expedition, said scientists also were surprised to discover that burbot, large lake fish, were carving caves and depressions in the soft, glacial clay comprising much of Lake Superior's bottom.

"They may have enough impact to actually alter the configuration of the lake bottom," he said.

## Ex-Spy May Have Given Soviet Information on CIA's Methods

By Stephen Engelberg  
New York Times Service

WASHINGTON — A missing former CIA officer is believed to have given the Soviet Union significant secret information about the methods the United States uses to gather intelligence in Moscow, according to congressional sources.

The sources said Thursday night that the former officer, Edward L. Howard, who is being sought, had been trained in the secret techniques as he was prepared to be sent to Moscow as an operational officer for the Central Intelligence Agency.

The FBI has said that Mr. Howard, 33, served in the CIA from January 1981 to June 1983. One official said Thursday that he left the agency after failing to pass a routine polygraph, or lie-detector, test and had not served in Moscow.

The official would not characterize the type of problem found by the polygraph but indicated that it apparently was not related to espionage. Another official said a test result suggesting espionage by an employee would have started a wide-ranging criminal investigation.

CBS News quoted Senator David F. Durenberger, a Republican of Minnesota and chairman of the Select Committee on Intelligence, as saying Thursday night that the security breach caused by Mr. Howard could be as "serious as anything this country has seen in the past."

Mr. Durenberger said that the suspect might have provided details of how the United States got sensitive information from the Soviet Union.

The intelligence committee has been briefed on the potential damage said to have been caused by Mr. Howard. Officials say he is one of two U.S. intelligence officers identified as Soviet recruits by a Soviet defector, Vitaly Yurchenko, a senior member of the KGB, the Soviet intelligence agency.

Government officials said Thursday that the second suspect had been identified while investigating the defector's statements.

The officials would not say what agency of the government had employed the second suspect, although one intelligence source indicated it was the National Security Agency, which deals with the most secret U.S. codes and communications.

Officials have said that Mr. Howard fled the country during the weekend of Sept. 21, shortly after his friends and co-workers had been questioned by the Federal Bureau of Investigation.

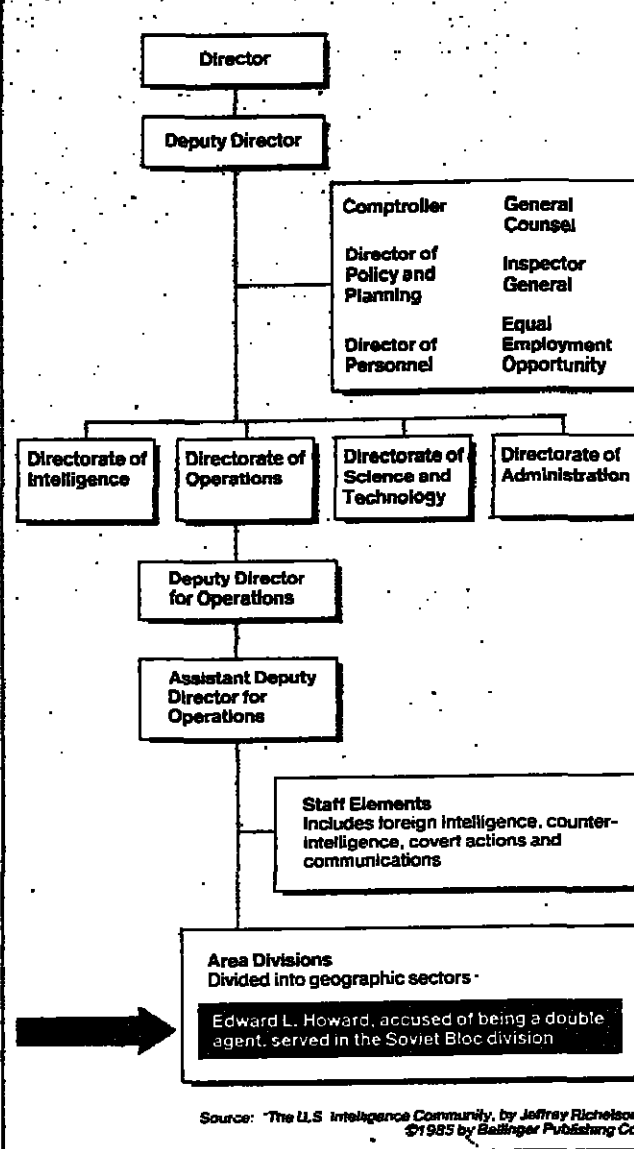
Mr. Yurchenko is being questioned at an undisclosed location in the United States.

One official said that Mr. Howard and the second former intelligence employee were the only Americans under investigation as a result of information provided by Mr. Yurchenko, who defected to the West in July while he was in Italy.

Officials said that Mr. Howard worked in the clandestine service of the CIA. He was charged Sept. 23

## Where Ex-CIA Agent Fitted in Hierarchy

Organization of the Central Intelligence Agency



Source: "The U.S. Intelligence Community," by Jeffrey Richelson, ©1985 by Ballinger Publishing Co.

The New York Times

with conspiring to provide national defense information to a foreign power.

Officials have said that Mr. Howard eluded the federal authorities and fled from his home in Santa Fe, New Mexico.

An intelligence source said that Mr. Howard, "a disgruntled employee," approached the Russians

with an offer to provide secret information. Various officials offered conflicting accounts on whether Mr. Howard began working with Soviet intelligence agents before or after he left the CIA.

A Reagan administration official said that Mr. Howard left the agency after he was assigned to a post in Moscow.

## Researcher Says Screening Tests Fail To Eliminate AIDS From Blood Supply

United Press International

BOSTON — An AIDS researcher has said that the nation's blood supply is still not safe from the disease because of small but potentially important errors in the tests used to screen donor blood.

"Unfortunately, our blood supply is not safe," Myron Essex, chairman of the department of cancer biology at the Harvard School of Public Health, said Thursday.

He said claims that the blood screening tests are more than 99 percent reliable in detecting evi-

dence of contamination by the AIDS, or acquired immune deficiency syndrome, virus are "grossly inaccurate."

But a U.S. official maintained that the U.S. blood supply "is 99 percent safe." Dr. James Mason, director of the U.S. Centers for Disease Control in Atlanta, told a Harvard University forum that there have been only 210 cases of AIDS transmitted through contaminated blood transfusions among more than 13,000 cases of AIDS.

## Ancient Soot Tied to World Firestorm

(Continued from Page 1)

plain the mass extinctions 65 million years ago.

"The Alvarezes opened up a field," Dr. Anders said, "and a lot of us wanted to get in on the act."

But the clay did not yield any traces of the noble gases that the chemists were seeking. Instead, in dissolving the material for analysis, they found substantial amounts of graphitic carbon, or soot. It was mainly in the form of fluffy particles less than 40 millionths of an inch across.

Examining the particles under an electron microscope, Miss Wolbach, a chemistry graduate student, and Dr. Lewis, a senior research associate at the Fermi Institute, along with Dr. Anders, determined that the structure of the clusters was characteristic of carbon deposited from flames.

They said it was unlikely that the carbon came from the meteorite itself, for meteorites do not contain that much carbon, or from the Earth where the impact occurred.

Wildfires, the scientists concluded, "seem to be the most plausible source of the soot layer."

Even if the object hit the ocean, the scientists said, the impact could ignite fires on continents hundreds of miles away, the result of heat radiating from the exploding fireball and the expanding cloud of rock vapor. If the impact happened in the Bering Sea, as some geologists have suggested, then Europe, Asia and North America would have been within ignition range.

The report said, "The surprisingly large amount of soot suggests either that much of the Earth's vegetation burned down or that substantial amounts of fossil fuels were ignited also."

## Italian, Albanian Aides Meet

The Associated Press

ROME — Foreign Minister Giulio Andreotti and Albania's foreign commerce minister, Shane Korbaci, discussed broadening economic ties between the two nations on Thursday in Rome, the Italian Foreign Ministry said.

Quartz watch in 18-ct. gold, with date. Sliding stainless steel bracelet.

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## Paris Thinks Soviet Wife Lacks Chic

(Continued from Page 1)

up" from an announcer on the state-run Radio France, François Rey.

When Mrs. Gorbachev arrived at the Ministry of External Relations on Thursday wearing the same gray suit to lunch with Prime Minister Laurent Fabius that she had worn when she got off the plane Wednesday, criticism rose.

Princess Diana of England wears the same dress twice in public but at least she waits two years, said Odile Pougès, a journalist at Radio Monte Carlo.

Mrs. Gorbachev's brown chiffon gold-striped evening dress, worn for dinner Wednesday with President François Mitterrand at the Elysée Palace, brought a comment from the fashion critic of the newspaper Le Monde.

"She probably has to support the Dom Model fashion house in Moscow," said Nathalie Mont-Servan.

Mrs. Gorbachev's appearance at the Cardin salon, next door to the government guest house where she was staying, stirred another uproar. The official program had called for her to see a fashion parade at the Saint Laurent salon. Only at the last minute was the Saint Laurent appointment postponed to Friday and Mr. Cardin's scheduled for Thursday.

Mr. Cardin denied rumors that he had complained to the Russians that Mrs. Gorbachev should accept his invitation first because he recently signed a contract to buy caviar and vodka for his Maxim's restaurants in world capitals. He also will market Cardin perfume and cosmetics in the Soviet Union beginning next year under a co-production agreement.

"I invited her weeks ago and I received a cable from the Kremlin days ago accepting," Mr. Cardin said.

"I put no pressure on her. She said she wanted to do something for a friend of Russia," he recalled that he also staged Paris's first fashion show in Moscow in 1983.

Mrs. Gorbachev sat on an ultra-modern chair designed by Mr. Cardin in his showroom to watch a parade of about 50 high fashion outfits.

She refused a glass of champagne and watched without expression the winter styles, such as evening gowns of lavender sequins or black velvet selling from 30,000 francs (\$3,750) and short black trousers with colored short coats from 20,000 francs.

Mrs. Gorbachev told Mr. Cardin that the clothes on the models were "not commercial but I respect them as works of art," the designer said.

## New Zealand Is Relishing Limelight

(Continued from Page 1)

down. They say he is not sufficiently concerned about the dangers of alienating the country's allies.

When the two dramas have played themselves out, some commentators suggest that New Zealand may find it has entered a new era of self-sufficiency beyond its current reliance on the United States. It already has distanced itself from its colonial parent, Britain.

For now, New Zealand's attention remains fixed on the events of the day, which one security guard described as "Greenpeace-ANZUS." Newspapers chart the progress of a flotilla of small Greenpeace vessels that have started to arrive at the site of a scheduled French nuclear test on the South Pacific atoll of Mururoa. The Rainbow Warrior was to have led the flotilla.

An Auckland court is scheduled to begin a preliminary hearing in November on charges of murder and arson against two French agents who were arrested a few days after the Rainbow Warrior was sunk on July 10. The ship was sunk with two bomb blasts, killing a photographer who was aboard.

One of the defendants, Captain Dominique Prieur, was recently moved from a jail to a heavily guarded military prison. Hundreds of yards of barbed wire were coiled around the site, and soldiers took up positions along its perimeter.

Police have received many reports about suspicious Frenchmen lurking in the vicinity. The owners of a delicatessen, for example, Wilhelm and Judith Hiemer, reported that three Frenchmen in leather jackets had come in to buy food.

"They all seemed tough, the sort of people who stay fit," Mrs. Hiemer was said to have told the police. Furthermore, she said, "they all bought expensive food and left."

## West German Police Say Rioting Seems to Lessen

United Press International

FRANKFURT — Demonstrators broke windows and hurled a firebomb in two West German cities, Frankfurt and Northheim, early Friday in a seventh day of violence.

The police said only two incidents were reported and the violence that broke out Saturday after the death of a demonstrator in Frankfurt appeared to be subsiding.

(Reuters, UPI, AP)



Raisa Gorbachev seated Thursday with President François Mitterrand during a dinner at the palace of Versailles.

## South Africa Is Urged: 'Stop the Bloodbath'

Compiled by Our Staff From Dispatches

JOHANNESBURG — South African security forces killed two black men overnight when they dispersed crowds throwing stones in segregated black townships, police said Friday.

Meanwhile, on Friday 15 civil rights activists from around the world signed a letter urging the South African government on Friday "to lay down your arms and stop the bloodbath."

In the violence, one black man died when soldiers dispersed stone throwers at KwaZakhe township near Port Elizabeth in the eastern Cape, a spokesman said.

The army was called into the townships last October to help the police force control unrest that has claimed more than 730 lives in the past 20 months.

In the black township of Guguletu near Cape Town, another black man died when police fired shotguns against stone throwers.

In London on Thursday, Bishop Desmond M. Tutu said after meeting Prime Minister Margaret Thatcher that he was "slightly more hopeful" that Britain would help pressure the South African govern-

ment to abolish its apartheid system of racial separation.

However, Bishop Tutu, the 1984 Nobel Peace Prize laureate, said Mrs. Thatcher had expressed her firm opposition to economic sanctions as a means of pushing the South African government from apartheid.

Joan Baez, the American singer and president of Humanitas International, wrote the activists' letter. It declared support for Bishop Tutu "in the face of the monstrous oppression, cruelty and violence of the South African state."

Among those signing were Lech Walesa, leader of Poland's outlawed Solidarity labor movement; the Reverend Jesse L. Jackson, the American civil rights leader and politician; Mayor Andrew Young of Atlanta; Coretta Scott King Jr.; Cesar Chavez, the American farmworker's union leader; two Soviet dissidents, Alexander Ginzburg and Vladimir Bukovsky, who now live in the United States; and Kim Dae Jung, the South Korean opposition leader.

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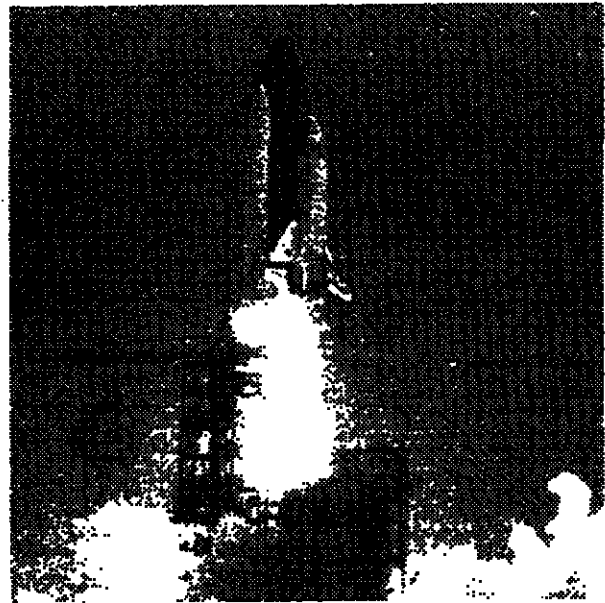
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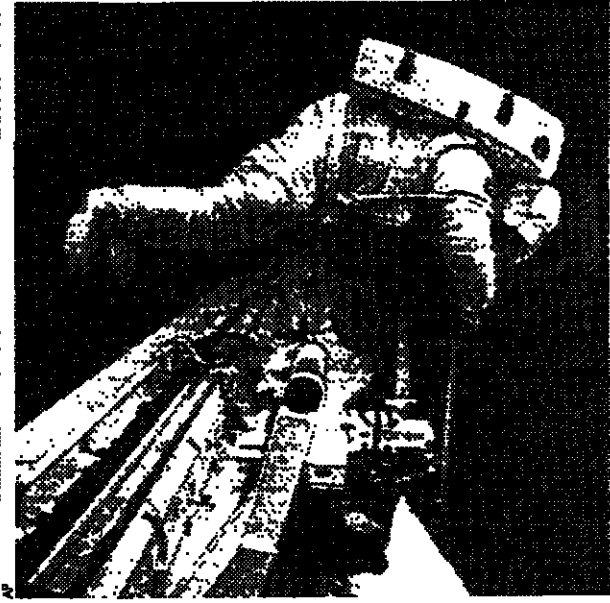
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5-10-85



## ARTS / LEISURE

## Rare and Beautiful Poussin Drawing Is Auctioned at Drouot

International Herald Tribune  
PARIS — A sale Wednesday at Drouot had the ideal balance for an early season auction: a large number of pleasing drawings that will appeal to buyers with limited funds, two drawings combining

## SOUREN MELIKIAN

great beauty and the utmost rarity, and a dozen or so more that were well worth the attention of sophisticated collectors.

Jean-Louis Picard, assisted by Bruno de Bayser, an expert in Old Master drawings, conducted a three-hour auction that included more than 180 drawings, mostly from France, Italy and the Netherlands. The outcome was an unequalled success.

From the international collectors' angle, the key piece was a sketch in brown wash by Nicolas Poussin (1594-1665), one of the towering figures of French painting in the 17th century. His drawings hardly ever appear at auction and

are almost as rare in the trade. Dealing circles report that one was sold in recent months by Daniel Wildenstein to the Paul Getty Museum.

Not surprisingly, the Poussin had acted like a magnet on dealers from all over Europe. Titled "Moses Defending Himself Against the Jeitro Girls," the sketch offers a variant of a drawing in the Louvre. French specialists date it to the years 1630-1640. The drawing sold Wednesday was executed on two separate sheets later joined together by the artist. The two parts do not fit very well and the main one is in lighter shades of brown. This was often done by 17th-century artists when doing preliminary studies intended as drafts for more elaborate work. On the back of one of the sheets, a drawing dashed off in pen and ink, with the silhouettes outlined in a few nervous strokes, is a first thought of the same composition. It provides a rare insight into the creative process of Poussin.

The more elaborate sketch in wash is essentially a study in move-

ment and chiaroscuro. Women in the ancient Roman drapes considered suitable by 17th-century painters when handling Biblical subjects walk about in an Arcadian landscape. Poussin did not bother to detail the features. There is a wonderful liveness about their movements, in contrast to the staid attitudes of the figures in his oil paintings.

The highly contrasted light effects show how deeply indebted Poussin was to the Northern European Caravaggesque school. They give the scene a dramatic intensity and a sense of mystery that made the drawing irresistible to private collectors — museums are less susceptible to atmosphere and tend to go after the conventional.

Despite some restoration work, very cleverly carried out in recent months — several dealers had seen it in unrestored condition — it was the object of intense competition. De Bayser put it at a 400,000-franc (\$50,000) estimate. It went up to 1.3 million francs, which most dealers agreed was about the

right international price. The winner was the Geneva dealer in 20th-century masters, Jan Krugier, who has long been buying Old Master drawings for his private collection.

The other great rarity in the sale was a small landscape in pen and ink by a Flemish master Neyts, sometimes spelled Nys, and whose Christian name is given as Gillis or Aegidius. Not much is known about him, except that he was christened in Ghent on April 4, 1623, married Clara de la Porte in Antwerp in 1643, and was made a master in the Antwerp guild in 1647. Neyts was an admirable engraver whose etchings, almost as rare as his drawings, are avidly sought after. Engraving seems to have been his main occupation, so much so that the techniques of etching and drypoint greatly influenced his draftsmanship.

The landscape, signed and dated 1650, shows a cluster of trees rising from a mound in the foreground, a dome in minute strokes and dots. In the distance, a second line of trees is done with equal precision in light

shades of gray. The use of the white background made more intense by the unusual support — vellum instead of paper — is typical of an engraver's vision. High up in the sky, a tiny figure of God represented as a bearded, draped man floating in the air, points out a symbolic intention which has yet to be elucidated.

None of the experts and dealers I spoke to could remember seeing a drawing by Neyts at auction or in the trade in the last decade. As beautiful as it is rare, the drawing should have soared. But as all professionals are well aware, when an artist's work gets so rare as to be virtually forgotten, it fails to focus attention in the auction market and sells for very little. The masterpiece, as good as anything done by his Dutch contemporary Van Goyen, fetched one-tenth of the price that a similar drawing by the latter, signed and dated, might go for at auction. At 21,000 francs, it was a superb buy made by a Swiss-based dealer.

There were two other exquisite

acquisitions to be made in the same sale. One, a Deposition of Christ in pen and sepia wash, was attributed to Luca Cambiaso, the enigmatic 16th-century master who produced, among others, geometrical figures that sometimes seem to anticipate Cubism. The drawing offered Wednesday was done in another manner favored by Cambiaso, in which figures are outlined in quick short strokes, each one at a slight slant. Because De Bayser had felt some hesitation as to whether it was by Cambiaso or some pupil working in his style, he had given it a 4,000-franc estimate. His guess proved to be fairly close to the mark. It was knocked down at 5,000 francs to a French designer, Manuel Canovas, who is also an Old Master drawing collector of long standing.

Canovas also bagged the other drawing that could be had under \$1,000 that day. This is a red chalk study of a man kneeling on the ground, his head leaning on his right forearm as it rests on his raised left hand. The style is suggestive of Charles Le Brun, the court painter who designed the gardens at Versailles under Louis XIV. De Bayser had indeed "attributed" the drawing to the master. In auction-room language, this means that the suggested attribution is little more than a possibility. Collectors, including Canovas, and experienced dealers seemed to be unanimous in considering it to be the work of François Verdier, a pupil of Le Brun who employed him at Versailles. It went for a trifling 4,000 francs.

The price is just about right for a little-known master often spoken of contemptuously in textbooks because he did not innovate and sometimes made copies of Le Brun. That the outcome could be beautiful on occasion, as shown by Wednesday's drawing, makes no difference to the price by today's standards.

Such honest prices, which were not puffed up by hype, in a sale where most of the drawings came from private sources, created a context that inspired confidence.

Here and there some crazy prices were paid for drawings that would not have created such a stir in London. The sketch of a seated woman, draped and bare-breasted, with a famous smile by Charles Joseph Natoire (1700-1777), a pale imitator of François Boucher, rose to a mind-boggling 125,000 francs. This may mean that the buyer, disregarding an early but apocryphal inscription "Natoire," considers it to be a more highly regarded artist — Boucher perhaps.

It is part of the never-ending game of musical chairs that spices Old Master drawing sales and allows the most modest buyer to entertain dreams of a making a coup some day.



Concentration camp drawing (detail) by Zoran Music.

## 133 Galleries Showing Works at Paris Art Fair

By Michael Gibson  
International Herald Tribune

PARIS — The FIAC international contemporary art fair has become a popular event in Paris. Last year with 149 galleries on hand it attracted 107,000 visitors to the Grand Palais. This year it opened with the participation of 133 galleries from 18 countries — 124 of them presenting one-man shows.

Diversity is the rule, as always. New to Paris is the Texan John Alexander, 40, who manages to use the fashionable and often frivolously arrogant Neo-Expressionist idiom in a convincing manner (Galerie Hervé Odenmatt). For one thing, there is a real tension and vitality in his paintings that make them instantly persuasive. Then there is a form of content that goes beyond the randomly self-complacent subjectivity of his more expensive colleagues in New York. The series shown here suggests a fierce Southern carnival where cultural and political fantasies mingle.

Miguel Rasero (Galerie Philippe Guitman) is Spanish and 30. His idiom is also modern and he works with oil on very large sheets of craft paper. The works have an unusual and persuasive presence, whether the subject be an empty room, a still life or a painter in his studio.

Zoran Music is already a well-known artist, but his series of prints, inspired by memories of his stay in a Nazi concentration camp — and by the drawings he did at the time and later recovered, place him at an awesome height of art as human testimony (Lacourrière Frères).

These prints seem to refute the notion that the horror of the camps was such that no work of art could have the intensity necessary to express it. Sober and implacable, they are without rhetorical effect, precisely because they are a personal testimony. Music could write Goya's words: "Yo lo vi" under each one of them.

Abstraction is still a strong presence, whether in the serene warmth of Adam Henin (Galerie Faris), the new Eurasian style of Tabuchi — COBRA colors plus gold-leaf (Fuji Television gallery) or the mystic paintings and monotypes of Sam Francis (Galerie Jean Four-nier). Hans Hartung, one of the pioneers of abstract art, also has a one-man show (Galerie Daniel Gervis). Somewhere between abstraction and representation are the anxiety-ridden collages of the late Bernard Reiquichot (Galerie Baudouin Lebon).

The chic and classical department includes Ivan Theimer, with his bronze obelisks and monuments that seem to quote both from Greek reliefs and from Bernini's playful monuments (Galerie Albert Loebe) and Pierre Skira, whose tranquil pastel still-lives remind one of Chardin (Galerie Etienne de Causans).

Among the venerable ancestors are Nicolas de Stael (a good selection at the Galerie Jeanne Bucher), Wilfredo Lam, who died only last year (Galerie Fabien Bonalakis) and Picasso, of course, without whom no big party like the FIAC can be thrown. Miró is also present, with some lumpy posthumous sculptures in bronze (Galerie Maugué Lelong).

Other forms include the digitized pseudo-narrative of Pat Arca (Galerie Elisabeth Franck), the humorous papier mâché monument of Jean-Yves Chasse-Pol (Galerie Mathias Fels), collage-paintings by the Yugoslav artist Slavko Kopac, a close friend of Jean Dubuffet who speaks in rather the same idiom (Galerie Marwan Hoss), the austere structural sculptures of Robert Jacobsen (Galerie Denise René), and the granite and marble books (both open and closed) by the Kubach-Wilmsen couple (Stampfli Gallery). The undisturbed god-awful is adequately represented by paintings of Robert Combas (Galerie Yvon Lambert).

The fair runs through Oct. 13.

## U. S. Architects Protest Planned Whitney Annex

Washington Post Service

NEW YORK — I. M. Pei, Isamu Noguchi and about 600 other architects and artists have petitioned the Whitney Museum of American Art to protest plans for a \$37.5-million museum addition.

The design by the architect Michael Graves would substantially alter the 1966 facade of Marcel Breuer.

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Rather than a retrospective of past successes, it is a constantly-changing affair that includes new works inspired by the artist's stay in each nation. These, in turn, are brought to the next country, giving the public a look at the world as seen through Rauschenberg's eyes.

When the tour is done, the collection will go to the National Gallery of Art in Washington. "But if I die before it gets there, the show's off. I only believe in art that's alive," he joked before the opening at the Caracas Museum of Contemporary Art. The exhibit will remain here through October before going to Beijing.

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## ARTS / LEISURE

## Simone Signoret: A Memory

By Mary Blume

**PARIS**—When someone treasured dies it is as if time should stop for a moment and life skip a beat. Not life on our great and headless globe, but at least in the Place Dauphine, the small square in the center of Paris where Simone Signoret and Yves Montand had a ground-floor flat that had a rather English air of coziness and a mirror over the chimney-piece in which she had stuck snapshots of family and friends. Simone loved the small village that is the Place and once gave me a traveling clock that showed time zones all over the world.

"In case," her card said, "you really want to know what time it is outside the Place Dauphine."

In recent weeks the brown awnings over the closed windows of her apartment looked so limp that one could only quickly turn away and hope the day had not yet come. When it did come on Monday, a small group of photographers gathered at her door, probably more from shock than from news sense, for they knew she had died in her country house about an hour's drive from Paris.

Around the photographers, people dined in outdoor restaurants and workers played boules as if it were just another Indian summer day.

Life went on in part because of the shock and the unexpected sorrow. The French knew they had admired Simone Signoret; they learned that they had also loved her. Le Monde, the afternoon of her death, gave her a front-page headline and then said at great

length that it was impossible to know what to say about her. In its awkwardness, it was the most heartfelt obituary I have ever read in France.

Before I knew her, I thought of Simone Signoret simply as the finest screen actress since World War II. She was fearless in her range—from the radiant Casque d'Or to the betrayed Alice in "Room at the Top," to the radical Madame Rosa—and she was never happier than when working with a film crew. When shooting ended, she always seemed, and said she felt, orphaned.

Orphaned perhaps, but surrounded by friends. She had extraordinary delicacy—the French word *puissance* says it best—and also she was the best storyteller one could hope to meet; one misses most, I think, the people one has laughed with the most.

One reason she was such a good storyteller was her remarkable memory. Memory was deeply important to her; she saw it as an often-inconvenient treasure. "My memories don't belong to me. The moment one is talking about oneself one is talking about others as well," she said.

Her autobiography, "Nostalgia Isn't What It Used to Be," is in a sense about memory and about her attempts never to let life fall for the lure of forgetfulness.

Her last book and first novel was for many months on this year's best-seller lists. It was called "Adieu Volodia" and it was a vast panoramic tale centered on a cast of Jewish immigrants in Paris from early in the century to after World War II. In part it was

a call to remember the small vanished craftsmen of Paris, the streets that had been bulldozed, the Jews who had been taken away, though when it came to sending her characters to Nazi death camps Simone, for once in her life, lost courage.

"I came to love those characters. They just came, one by one, and I wasn't expecting them," she said at lunch a few months ago. "I wasn't expecting anything. Finally, I had to end the book because I was in danger of never ending it, I was enjoying it too much, telling myself a story I didn't even know until I had told it."

Instead of sending her Jewish characters to die at the hands of the Nazis, she killed off some of them in a real train crash that made headlines in France in the 1930s. "I couldn't face seeing them deported. It's a gift I wanted to give them, that they would be celebrated and respected in death. Because there was a great difference between the deaths of people who died in that train wreck and the people who disappeared later in the camps."

As it turned out, that was our last lunch in the Place Dauphine. Sometimes we would eat on the sidewalk at Chez Paul, just outside Simone's window so if the telephone rang she could reach inside and answer it. Sometimes we would eat a few yards down the block at the Caveau du Palais. I remember on a bright winter day at the Caveau hearing a noise outside in the Place while we were having another last coffee. The noise came from a struggle of people shouting slogans against Montand. It turned out



Simone Signoret

Robert Doisneau/Paris

they were an animal protection group and Montand was a prominent member of an anti-cancer league that possibly counteracted animal experimentation.

Simone listened to the shouting, then ambled to the telephone to call Montand, who was at home, two doors away. "Listen," she said, "there's a bunch of people outside the restaurant demonstrating against you. They seem to have come to the wrong address." Within seconds, Montand was out of the flat and on the Place

and Simone was at his side. I left them talking to the demonstrators.

An hour later, Simone telephoned. She and Montand had invited the protesters into their apartment, she said, and they had had a long talk. "I told them they didn't know a thing about demonstrating and I gave them a few pointers," she said. The demonstrators left the apartment, revitalized. "And they ended up loving me," Simone added, laughing, "which was, of course, the point."

## A Spanish Fiesta in Belgium

By Rona Dobson

**BRUSSELS**—The scarlet and yellow banners snapping out boldly above museums and culture palaces in Brussels signal a strong Spanish presence on the arts scene here. Europolis, the arts festival held biennially to focus on a member country of the European Community, features Spain this year.

Spanish and Belgian art teams have been at work for two years, delving into dark churches and little-known museums, stalking the cities of Spain, coaxing collectors, lingering in the Prado. Paintings, drawings, tapestries, sculptures, wood carvings, altarpieces, pulpits, 10th-century manuscripts, 3,000-year-old art from the Iberian islands, architectural maquettes and drawings by Spain's most famous maverick architect, Antonio Gaudí, are all on display in Belgium during Europolis, which ends Dec. 22.

Parallel with the art exhibitions are concerts, flamenco dancing, classical ballet, opera, song recitals; eminent visiting artists from the musical world include Monserrat Caballé and José Carreras, Victoria de los Angeles and Teresa Berganza. Two plays by Federico García Lorca, one in Spanish, "La Casa de Bernarda Alba," another, "Noces de Sangre," in French, form part of the Europolis theater festival; 150 Spanish films are to be shown through October and November at the Brussels Cinema Museum. Other events and exhibitions are spread over several Belgian cities.

The exhibition providing the most varied spectrum of Spanish art, "Splendors of Spain and Cities of Belgium" at the Palais des Beaux Arts, spans the 16th to the 18th centuries when Spain and Belgium were closely, if turbulently, linked under one crown. Much of this massed array of art from Spain is in fact Flemish art, since Spanish rulers, like the French and the Austrian occupiers, appreciated and carried off from their Low Country possessions the paintings of the Flemish Primitives, the wood-carved figures and reliefs decorating the churches, the Flemish-depicted and woven tapestries, and portraits by artists like Pieter Pourbus, Brueghel, Rubens and Van Dyck.

Interspersed through the display are Spanish artists, with Velasquez, El Greco, Francisco Zurbarán, Murillo, Ribera, Jan de la Corte,



Zurbarán's painting of the monks of Chartreux (detail) is on view at the Palais des Beaux Arts in Brussels.

among the more famous. One of the El Greco, a view of the city of Toledo with a detailed map of the center held in the foreground by the one figure in the painting, is out on loan for the first time.

Goya has an exhibition to himself at the Museum of Fine Arts, both startling dramatic and lushly opulent. The series of savage little drawings that he showed only to close friends in his lifetime, provide the drama, illustrating the violence and callous cruelty of an earlier Spain and spilling over into his own times.

Many of them underline the brutality shown towards women, the degrading treatment meted out to them not only by soldiers and bandits but in marriage and daily life. In his own era, and for many years afterwards, none of the drawings could have been shown in public under repressive regimes.

At the Museum of Modern Art next door, the contemporary painter and sculptor Antonio López, the

painter Antonio Tapiés and the sculptor Eduardo Chillida have spacious exhibitions of their work, a revelation in the case of López, less known and less shown than Tapiés, and a rare opportunity to see so many Chillida sculptures together. Outside Brussels, Charleroi, hard-hit by economic recession, still manages to achieve high standards in art shows; their Palais des Beaux Arts exhibits works by Picasso, Dali, Miró, drawn from the artists' early and most creative periods, which may well be one of the big successes of Europolis. Tournai has tapestries, Bruges shows a 15th-century Flemish painter, Juan de Flandres, who went to Spain and founded a whole school. In Ghent, St. Pieter's Abbey has built an impressive exhibition round Santiago di Compostella, for a thousand years a center of Christian pilgrimage.

Rona Dobson, who is based in Brussels, writes on the arts.

## Matthaus's 'Judith': A Compelling Staging in East Berlin

By James Helme Sutcliffe

**BERLIN**—The extraordinary success of Siegfried Matthaus's fifth opera, "Judith," at East Berlin's Komische Oper has added to the repertoire a strong new work with two magnificent central roles and some compellingly powerful choral music.

Matthaus reduced the five acts of Friedrich Hebbel's first drama, written in 1840, to two, and embroidered it with passages from the fourth book of the Apocrypha. His intensely concentrated two-hour piece shows an original and informed musical dramatist at work, sure of his effects and using them naturally without the affected modernisms of much avant-garde music.

The dramatic story of the biblical heroine has been the inspiration for about 16 operas: Judith saves her native Bethulia from extinction at the hands of Nebuchadnezzar's unconquerable general, Holofernes, by worming her way into his confidence and then lopping off his drunken head. But only the oratorios by Vivaldi and Mozart, infrequently staged, have kept the subject alive in the opera of our time.

Matthaus has retained the soul-searching self-analysis that made Hebbel's protagonist so fascinating, long before Freud. Life has been easy for the conqueror Holofernes—who never knew his mother—and he longs for an opponent who will stand up to him, even at the cost of his own life. Too much success has made his existence dreary.

A widow with a destructive longing for a mate, Judith is irresistibly drawn to Holofernes, the mortal enemy of her people. Her chilling cry, "Open the gates, I must go to Holofernes" which closes Act I, is an exciting portent of what is to come, brilliantly bridging the single intermission.

Act I is all dash and conflict.

The lamentations of the starving, beleaguered Bethulians are interrupted by their high priest Osiat, the "Prophet" Daniel and his brother Ammon, who is stoned because he wants to open the city's gates and end the siege. It also includes Holofernes's grandiose monologue, Judith's dream and her demand that her suitor Ephraim prove his love by murdering Holofernes.

Act 2 is quieter. Sensuous overlayers string passages with turns reminiscent of Schoenberg's "Verklärte Nacht" accompany Judith's seduction of Holofernes after Ephraim's assassination attempt. Judith severs her lover's head with icy violence. The Babylonians flee.

The Babylonians loot the Babylonian camp, praising Judith as "Israel's whore." She realizes that her deed has changed nothing and that she can no longer live among them. The choral finale is a passacaglia to the biblical text beginning "Lord, save us..."—sung, ironically, while Judith hangs herself. The opera ends with crashing repeated chords as the chorus grimaces in horror at its future.

Harry Kupfer's staging is fiercely Expressionistic, with geometric costumes by Eleonore Kleiber, gray, blue and white face makeup by Manfred Schneider, and a composite decor by Reinhardt Zimmermann that allows both Bethulian and Babylonian camps to be experienced simultaneously.

Holofernes and Judith soliloquize on platforms on the extremities of the orchestra pit and lit from below. They meet before a yellow silk tent draped from the conqueror's central metal control tower, for all the world like those on the line that borders the two Germanys. Behind curves the partially ruined facade of Bethulia's forum, its pale inhabitants crouching on steps and in niches.

Matthaus's opera has a curious history. It was commissioned to

open Dresden's reconstructed Semper opera house in February, but was taken by Kupfer to East Berlin when he left Dresden to become the Komische Oper's resident director. Matthaus was thus obliged to compose another opera, his sixth, "Tale of the Love and Death of Cornet Rilke," for Dresden in a hurry. Since its premiere there, the opera has been staged by four other theaters.

"Judith" was completed so long ago that Dietrich Fischer-Dieskau

sang Holofernes's monologue at the concert celebrating the opening of Leipzig's new Gewandhaus concert hall two years ago.

The cast here was divided between Komische Oper and Dresden singers. Eva-Maria Bundschuh created the title role with such gripping intensity and astounding vocalism that she received an ovation. Dresden's Werner Haselau played a credible Holofernes, though lacking in the animal attraction the part demands: in thin black-

rimmed glasses, he most resembled a party bureaucrat.

The shimmering score includes a wealth of quiet background figuration coloring a couple of forward-placed melodic strands, as well as some virtuoso brass writing and violent percussion. Rolf Reuter conducted as if his life depended on it. It was a thrilling evening in the opera house.

James Helme Sutcliffe is a Berlin-based critic.

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Jessica Lange in Fine Form  
As Country Singer Patsy Cline

**CAPSULE** reviews of films recently released in the United States:

Janet Maslin of The New York Times on "Sweet Dreams": Karel Reisz has cast Jessica Lange as the legendary country-and-western singer Patsy Cline and

**MOVIE MARQUEE**

lets her display her rollicking, warm-blooded vitality.

The real Cline, who died in a plane crash at the age of 30 in 1963, plays a more significant role in "Sweet Dreams" than most subjects of biographical films. Her thrilling voice is heard throughout the film, with Lange expertly lip-

synching her way through such songs as "I Fall to Pieces," "Crazy," "Beneath My Wheel" and "Walking After Midnight." What elevates these scenes from the usual concert simulations is the way Lange has molded herself to the music. Although the performance is prop-heavy, with brittle wigs and an enormous number of costume changes, she makes herself a perfect physical extension of the vibrant, changeable, expressive Cline.

The film concentrates only indirectly upon Cline's artistry; it is more concerned with the vicissitudes of her second marriage, to a man named Charlie Dick (played by Ed Harris).

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# Herald Tribune

Published With The New York Times and The Washington Post

## Comparable Standards?

A common escape hatch through which beleaguered foreign leaders often attempt to flee their critics is the argument that they are doing no more or no worse than what the democratic countries do. In recent days that argument has been doing especially heavy duty. Pieter W. Botha, to justify his preference for keeping South Africa's racial groups in separate living areas, claims that Ronald Reagan himself "is showing Indians into reservations and entrusting all the affairs affecting their lives to a single bureau." Wojciech Jaruzelski asserts, again, that his imprisonment of Poles for considering a work stoppage is on a par with the punishment of striking American air-traffic controllers in 1981. Mikhail Gorbachev, briding at questions about the Soviet human rights record, warns that he may have something to say about violations of human rights in America.

Each of these charges can, of course, be answered on specific grounds. To Mr. Botha it can be said that Indians are not "shoved" into reservations by presidential edict but given the option of living there. General Jaruzelski needs to know that the American flight controllers were fired by the president for defying the no-strike pledge of their employment contract with the government. Mr. Gorbachev, if he made the usual Soviet-type criticism of, say, the tribunals of the activist Angela Davis, would have to explain why U.S. authorities

have had so little success at keeping her down. None of these rejoinders, however, gets to the heart of the matter. What is that? Certainly it is not that the American performance is flawless, which it is not. Nor is it that many Americans are actively concerned with any hint of the abridgment of the rights of their fellow citizens, although that is quite true. The heart of the matter is that the United States and the other democratic countries, possessing governments based on popular consent and judicial systems based on law, have a legitimacy to their political authority and an independence to their courts of which countries ruled by unelected, self-perpetuating elites cannot even dream. The measure of independence still enjoyed by courts in South Africa is the exception that proves the rule.

All this is clear enough to anyone who thinks about it. We observe with some chagrin that not all Americans think about it. Some are prepared to blink away just about any defect in a closed society if it bears a superficial resemblance to a defect in the open American society. But the right approach is to work hard to root out the defects in the operation of American society, while looking with a clear eye at the structural defects in such places as South Africa and the Soviet-bloc nations. Their protests will not wash.

—THE WASHINGTON POST.

## Secretary of Collision

The Department of Health and Human Services is where President Reagan most often collides with the modern social welfare state—where an administration hostile to many human services must nonetheless administer them. As its head, Margaret Heckler tried to speak for fairness and compassion in a government not renowned for either. That she survived for two and a half years is alone a mark of some success.

An experienced lawyer and 16-year veteran of the House of Representatives, Mrs. Heckler was no political novice when she took over Health and Human Services in 1983. But a \$330-billion budget and 145,000 employees pose a formidable political and managerial challenge even in the most supportive climate.

There is no such climate now, and some of the administration's most regressive policies have emerged in the department. The "squelch" rule, which Mrs. Heckler opposed in the Congress but defended as secretary, would have required federally funded family-planning clinics to notify the parents of minors who received contraception or prescriptions. The "Baby Doe" rule would have interposed the federal government between parents and hospitals treating handicapped infants.

Mrs. Heckler wanted to change the administration's image. At her swearing in, she told Mr. Reagan she would "symbolize the commitment and caring" he felt for people in need. She did soften the administration's tone but was unable to realign its underlying policies. Though a tough fighter, she was not a particularly good manager and was sometimes

caught short on the details of programs in her department. Recently, she reached a political impasse with White House officials over several appointments to top-level vacancies.

She failed to reverse the administration's callous and relentless purge of the disability rolls. When challenged in the courts, the administration stubbornly adopted a policy of "nonacquiescence." It was finally Congress, not Mrs. Heckler, that reversed the policy.

The administration successfully halted the long-term increase in hospital costs under the Medicare program. Instead of paying all bills reasonably submitted for Medicare, the government now pays according to a fixed fee schedule, perhaps the most important change in health care finance since Medicare. Though the program was adopted before Mrs. Heckler's tenure, she deserves credit for helping to make it work in the face of initial opposition from the medical establishment.

She also recognized early the need to publicize the plight of victims of AIDS, acquired immune deficiency syndrome, and won tougher enforcement against fathers who stop making child-support payments.

What was clear in her tenure, as in that of Richard Schweiker, the moderate Republican who preceded her, is that for all its social-welfare dogmatism, the Reagan administration has succeeded most when it has tried to be fair and practical. For the most part, that is what Mrs. Heckler tried to be—and what the department and the public need most, in this or any other philosophical climate.

—THE NEW YORK TIMES.

## Other Opinion

### Behind the Israeli Attack

Some in Israel argue that going after the PLO in distant Tunisia was politically preferable to going after the PLO in next-door Jordan, as such cabinet hawks as Ariel Sharon have proposed. The post-raid statement by Prime Minister Shimon Peres, in effect praising Jordan for keeping the PLO there under control, was intriguing in this respect. What it suggests is that the Tunisia raid was prompted as much as anything by the internal politics of the divided Israeli government, that ultimately it was an effort to pacify the hard-liners who were demanding action without destroying Mr. Peres's commitment to try to talk peace with Jordan. In that case the raid became action for its own sake.

So action has been taken, though at a cost—to both Israel and its closest ally—that has yet to be totaled. The United States has few enough loyal friends in the Arab world. Tunisia is one of them, and now Tunisia's territory has been attacked and Tunisians have been killed with American-supplied planes. That is going to take some explaining, and not to Tunisia alone. Meanwhile, undoubtedly, the next round of violence is already being planned. Israel has shown that it can go a long way to reach its enemies. What it has been unable to show is that it can control its enemies closer to home.

—The Los Angeles Times.

### A Soviet Rethinking?

One is not obliged to take [Mikhail] Gorbachev at his word when he utters to the high heavens that the U.S.S.R. does not seek to "drive a wedge" between Europe and the United States. Nevertheless, he went much further than his predecessors when he admitted that current circumstances force Soviet leaders to "rethink many established values, including in the military and of course the political field." Let us hope so, for ourselves but also for the Polish, Afghan and Soviet citizens.

—Le Monde (Paris).

### Violence in West Germany

The West German chancellor, Helmut Kohl, has good reason to be alarmed about the rash of violent protests across his country. The riots appear to confirm the continued existence of a hard core of nihilistic protesters of the kind who have moved into terrorism in the past and have also brought violence to ecological and anti-nuclear demonstrations. Mr. Kohl's instinctive response is to crack down, though this policy has so often proved counterproductive. It plays into the hands of the extremists by alienating others who become sympathizers. At times like these the state should stand pat and remind the police of the principle of minimum necessary force.

—The Guardian (London).

## Selling U.S. Arms to Jordan: The Arguments Favor Hussein

By Geoffrey Kemp

WASHINGTON — With the focus on such foreign policy issues as South Africa and the November summit meeting, the White House did not seem to be paying much attention to the recent visit of King Hussein. Then on Tuesday, the second day of the visit, the Israeli-bombed Palestine Liberation Organization's headquarters in Tunisia, proving once again that the Arab-Israeli conflict will not go away.

It has been the administration's hope that Hussein's recent public statements about his willingness to lead a joint Jordanian-Palestinian team to negotiate with Israel, and the mild encouragement given the king by Prime Minister Shimon Peres of Israel, will be enough to nudge the glacial Middle East peace process. Ideally, the next step would be for the PLO to recognize Israel's right to exist unequivocally and accept United Nations Resolutions 242 and 338, thereby committing U.S. officials to talk to the PLO. Direct Jordanian-Palestinian-Israeli negotiation could follow, provided the composition of the Palestinian team was agreed on.

Irrespective of the aftereffects of the Israeli raid, the path to peace is full of obstacles. Not only do the key players—Mr. Reagan, Mr. Peres, King Hussein and the PLO leader Yasser Arafat—face major political difficulties among their constituents, but other countries, such as Syria and the Soviet Union, have an unlimited capacity to play spoiler. Even if direct talks take place, exchanging the Arab territory captured by Israel in 1967 for peace and guarantees of security is a task that would face formidable, perhaps irreconcilable difficulties in Israel: The Likud coalition, now sharing power with Mr. Peres and the Labor Party, is opposed to territorial compromise. And Hussein cannot give up Arab territory unless he has a great light from the PLO and a volatile, shifting coalition of Arab states.

For the near term, however, one problem dominates the Jordanian-Israeli relationship: the Reagan administration's decision to sell a large number of sophisticated arms to Jordan. Preliminary notification has been sent to the Congress and bet is that both houses will reject Mr. Reagan's request. The president can try to override a congressional veto, but by that time blood will have been spilled and harsh things said

about Hussein. That could lead the king to say, "I'll go elsewhere"—just as the Saudis did by buying British arms recently in a deal reportedly worth close to \$5 billion.

As the Congress prepares to debate the Jordan arms package, key arguments need to be examined. The military reason for the sale is straightforward: Jordan is a friend of the United States and has woefully inadequate military equipment, especially for air defense. It faces a growing threat from Syria, whose armed forces have been dramatically strengthened by the Soviet Union since the 1982 Lebanon war. Providing Jordan with arms is a natural step to help protect U.S. interests in the region.

And politically, Hussein is more likely to take major risks for peace if the United States shows real commitment to his kingdom's security by providing arms for its defense.

The military arguments against the sale concern Israel's security. Arms of the type Jordan wants (F-16s or F-20s, air-to-air missiles, improved Hawk surface-to-air missiles and shoulder-fired Stinger surface-to-air missiles) could seriously weaken Israel's air power in any future conflict against an Arab coalition that included Jordan. Israel depends on the superiority of its air force in the first days of a war, and Jordan's new forces could prove extremely dangerous.

The political objections to the sale are the exact opposite of the administration view: Hussein should move meaningfully on the peace process before weapons are transferred. That would establish his bona fides as a serious negotiator. Hussein should do what Anwar Sadat did: Take a bold, independent step forward.

Which of these arguments best serves U.S. interests? The long, acrimonious fight the administration had with the Senate in 1981 over the sale of Airborne Warning and Control System surveillance planes to Saudi Arabia was finally won because of the president's involvement. Lobbying took up a great deal of Mr. Reagan's time. Whether his advisers will want him to make a similar effort now remains to be seen, in view of preparations for the summit meeting and his heavy domestic agenda. If the president truly believes Hussein is on the verge of a historic move, he may make the effort.



By EWK in Afghanistan (Photo: CNN Syndicate).

But the long-run costs of denying Jordan the arms outweigh other considerations—and that is not to dismiss Israel's fears about its security. A rejected, angry Hussein, under great pressure from his military to get modern equipment, will have to go elsewhere. That will further erode his ties with the United States. If he turned to the Soviet Union, which is a possibility, it would have profound political consequences and could lead to a Jordanian-Syrian rapprochement.

All bets would be off for the peace process and, while disaster may not be imminent, the stage would be set for a hardening of attitudes throughout the Arab world and in Israel. The current generation of moderate Arab and Israeli leaders, prepared to exchange territory for peace, will eventually be replaced by a more extreme and far more dangerous brand of politicians like Messieurs Khomani, Assad and Sharon.

The writer, a senior fellow at Georgetown University Center for Strategic and International Studies, was special assistant to President Reagan for the Near East and South Asia from 1981 to 1985. He wrote this for the Los Angeles Times.

## Adieu to Mata Hari, to the Cloak and the Dagger

By Walter Laqueur

WASHINGTON — This has been a season of defections and mishaps for the secret services in Europe, raising perturbing questions for spy masters in the West and even more so in the East.

West German counterintelligence has to be rebuilt more or less from scratch following the defection in August of the high-ranking officer Hans Joachim Tiedge, and there is no reason to assume that the last months in Bonn have been flushed out. The discovery of French government complicity in the sinking of the Greenpeace ship has made it necessary for the French to get rid of the director-general of their secret service, and some of his underlings.

But there is no rejoicing these days in KGB headquarters either: No fewer than three high-level Soviet spies have defected in the last few months, and Soviet defections weigh 10 times as heavily as Western ones. Western society is, after all, open and easy to

penetrate; political secrets virtually do not exist. The Soviet Union is a closed society, and breaches of security are much more damaging. Even if the KGB were only half as good as its reputation, it should have known that Vitaly Yurchenko, who defected in Rome in July, had been a double agent for more than a decade.

The KGB must also worry now about whether its agents are corruptible. It is unlikely that this summer's defections were the last. There was a time when Soviet agents abroad were deeply motivated. But their place has been taken by a new generation of spies who are better educated and more skeptical about ideology. Opportunism seems to play an increasing role, reinforced by doubts about the regime they serve, and it cannot be taken for granted that all will resist the temptations of the West.

How significant are these incidents

for either side? There is a tendency among the public at large to exaggerate both successes and failures in intelligence, largely because few people have a clear conception of what intelligence can and cannot do. Intelligence is not an end in itself and does not have a life of its own; the consequences of a certain operation can be assessed only in a wider context.

Consider three examples. Pearl Harbor was the greatest intelligence failure in American history—and yet without it the American people might never have been galvanized into a major war effort.

Second, some 20 years ago, the East Germans planted an agent close to Willy Brandt. They must have thought this a fantastic success, but in the end it worked against them, when the agent was caught and Mr. Brandt (whom they liked) had to resign, allowing the chancellorship to

go to Helmut Schmidt (whom they liked much less).

Finally, with the benefit of hindsight, it seems that we much overestimated the damage caused by Kim Philby and the other British spies of the 1940s. They did, to a certain extent, nullify British intelligence-gathering efforts. As a result, of their work, many hours were wasted, money squandered and perhaps some lives lost. But they had not the slightest impact on policy-making in Whitehall. Nor is it likely that they knew very much about the intentions of their masters. For better or worse, presidents, prime ministers and chiefs of staff rarely take intelligence agents into their confidence.

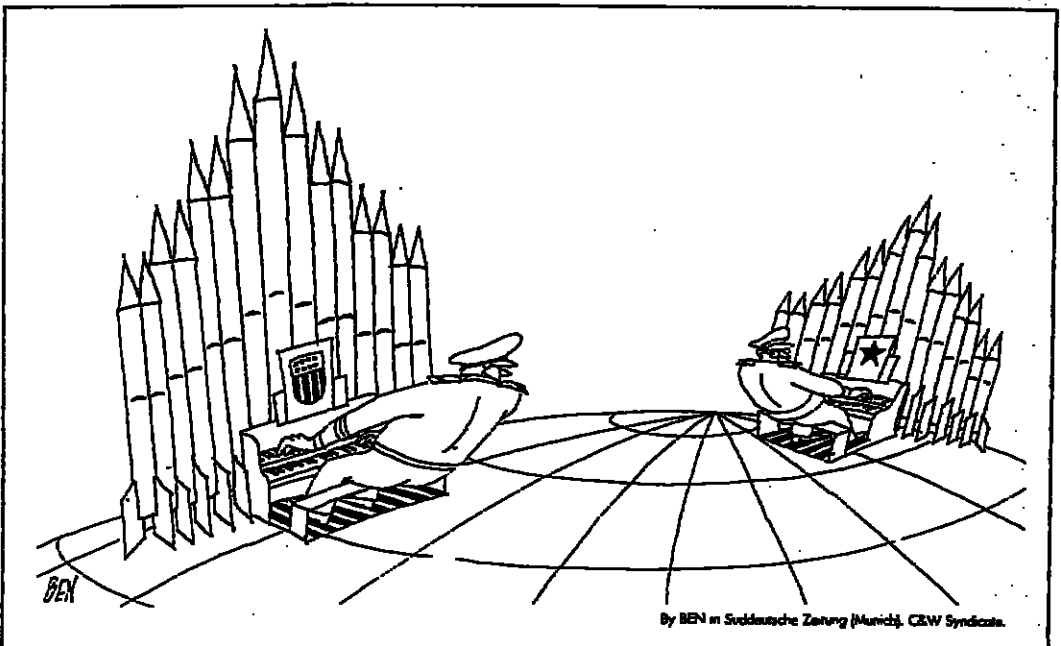
Does this mean that intelligence no longer matters? Far from it. True, the Russians do not need spies to find out about President Reagan's view of the Soviet Union; they can read about it in the press. But cloak and dagger are no longer the symbols of espionage, and the main practitioners no longer resemble Mata Hari. The name of the game today is technology—guidance technology, missile defense, anti-submarine warfare and computer technology in general.

Advanced large-scale integrated-circuit design, magnetic bubble-memory technology, genetic engineering, fracture mechanics and superplasticity—these are hardly household words, but they are all technologies with considerable military value, and this is where most of today's spy power is invested.

In this new world, Soviet and American intelligence agencies face radically different tasks. The United States needs political intelligence from societies where such information is not forthcoming. It is therefore preoccupied with verification and strategic deception. It has some interest in Soviet technology but nothing like the Soviet Union's overwhelming concern with the acquisition of high technology from the West. True, the Russians also want as full a picture as possible about everything happening in the West, but given the extent of what is readily available to them, such information is very often irrelevant and their efforts to gather it no more than a nuisance.

The secretaries from the West German government who defected to the East this summer are cases in point—mere pawns on the board of what Kipling once called the "great game." These women may have delivered fascinating tidbits about personal rivalries within the West German cabinet or even perhaps about some military contingency plans that will never be used, in any case. This will keep the filing clerks in East Berlin and Moscow busy, but in the final analysis, it is about as senseless as what the French did in New Zealand. The real action and the big money have long ago moved elsewhere.

The writer is author, most recently, of "A World of Secrets: The Uses and Limits of Intelligence." He contributed this column to The New York Times.



By BEN in Soudanese Zang (Munich), CNN Syndicate.

## Jaruzelski: Hostage-Taking With a Twist

By Charles Krauthammer

WASHINGTON — General Wojciech Jaruzelski, the Polish liberator, recently ventured into the bright media lights of New York. And while there for the United Nations General Assembly meeting, he made a most bizarre offer for freeing the 250 to 300 political prisoners he holds. If, in the coming elections—which Solidarity has asked Poles to boycott as a show of no confidence in the regime—70 percent to 80 percent of the electorate turns out, he might grant the prisoners amnesty.

His stated rationale is that this would prove that Poland had returned to "normalcy." The transparent threat is that if Poles listen to the Voice of America and the so-called Radio Free Europe and other provocateurs, their leaders "stay in jail. The people have a choice: Cooperate and your leaders go free. Protest, and they do not. Your choice."

Sounds familiar. This is, of course, the language of all hostage-takers. It is what Shiite fanatics say, whether kidnapping the Reverend Benjamin Weir or four Soviet diplomats: Free our brother terrorists (who blew up a couple of embassies in Kuwait), stop your Syrian allies (driving on Tripoli), or else. We do not want to harm the hostages. Your choice.

Hostage-taking immediately conjures up the image of a thug in a ski mask. Not so. In our day there is a genteel end of the business, and it is reserved for governments. General Jaruzelski's extortion ("blackmail," said Lech Walesa the next day) stands out because the threat was so explicit and the ransom (voter turn-

out) so unusual. But there is another kind of extortion that takes place on a far vaster scale and runs like a business. It is blackmail the old-fashioned way: for money.

Consider the vigorous and rarely reported traffic in dissidents from East Germany to West Germany. It works this way. The East German government arrests an undesirable. It lets the West Germans know that for certain humanitarian considerations, say 100,000 Deutsche marks (about \$38,000), it will release him to the West. Negotiations follow, then a deal is struck. East Germany gets its hard currency (since 1963, more than 2 billion DM), the dissident gets his freedom, and West Germany gets to perform an act of mercy.

An unstated aim of détente was to encourage this kind of business. It was thought in the West that in return for trade and technology, the Russians would liberalize emigration. But the Russians were squeamish about acknowledging the deal. They took offense at the Jackson-Vanik amendment, which permits U.S. trade concessions (most-favored-nation status) only for those Communist regimes that ease emigration.

Neither the Russians nor the Nixon-Ford administrations wanted such arrangements codified in law. Still, the amendment passed. And although Moscow rejected it, not everyone did. Romania, for example, has for years enjoyed a trade in souls. Your choice. What to do? Much of

the talk about hostage-taking focuses on the dilemma of the ransom: what may be yielded in money, obedience and principle, to rescue innocents. The neglected question: What does it take to be a hostage-taker?

One kind of hostage-taking is the kind you see in the movies: the cornered bank robber or the distraught ex-cop who takes a customer or a child. That kind is born of desperation. The other kind is born of calculation. To my mind, it is the more monstrous, since it issues not from distress but from moral bankruptcy. What does it take to put a gun, methodically and cold-bloodedly, to the head of an innocent? Above all, it requires that one abolish the notion of innocence.

And that is a specialty not, as one tends to think, just of terrorist ideologies, but of totalitarian ideologies. Their great theme—and the source of their great crimes—is that life is entirely politicized. There is no independent social space. Art, culture, family, friendship are inextricably political. And where everything is politics, everyone is a politician.

The debate over what totalitarianism is and whether it even exists has been going on for decades. There have been a dozen attempts to define it. A couple of years ago, I thought I had found a marker, a way to pick the totalitarian out of a crowd: Look for the regime that gets 99 percent of the vote. It is a pretty good rule of thumb. Perhaps this is a better one: a talent for hostage-taking, grand and petty.

Washington Post Writers Group.

## Gorbachev Deserves A Response

By Flora Lewis

PARIS — Mikhail Gorbachev's visit to Paris, deliberately set before his meeting with President Reagan next month, is both a dress rehearsal and an effort to enlist support for Soviet proposals from America's allies in Europe.

The Soviet leader has quickly shown that he is determined to make maximum impact and knows how to go about it. He reiterates Moscow's basic policies, particularly the ominous warnings about the future in the absence of agreements.

But, in an unusual departure for the Kremlin, he noted "how solid are the historical, political and economic ties uniting the United States and Western Europe." It is "absurd," he said, to think Moscow wants "to drive a wedge, to provoke a quarrel" between the Western allies, adding: "We are realists."

He called directly on France and others to try to influence Washington, but he made clear that in Moscow's eyes the Soviet-American relationship remains central and decisive for peace here and elsewhere.

The performance is skillful, the manner of making news is bold, and there is a clever echo of Mr. Reagan's most popular points: that the goal is to eliminate nuclear weapons and that lasting peace cannot be based on fear alone. However, "It's an illusion—what's more, extremely dangerous—to think that space defense can achieve the goals," he said. Security can only be achieved through "détente, disarmament, increased confidence and development of international cooperation."

These are things people want to hear. To support his assertion that he is reasonable and wants Europe to have a "larger role," he made some specific offers. He reversed the Soviet position of last January tying the three parts of the Geneva arms talks together. Now he says the issue of intermediate-range Euromissiles can be separated from negotiations on strategic weapons and space arms.

And he offered to negotiate directly with the British and French on their nuclear forces. He did not get anywhere on this with the French, who earlier refused a Soviet request for a joint communiqué denouncing "star wars." But Mr. Gorbachev tried to show movement on everything else so as to focus on space.

How far Mr. Gorbachev's many proposals signal a willingness to make real concessions in return for his main demand to block "star wars" development is not clear. It is puzzling why he is so anxious on this issue, since it is likely to be a decade before anybody even knows if an exotic space defense is feasible.

He may be giving a clue when he describes the vast task he has set himself for transforming the Soviet Union and its "methods of economic management." He said "human spirit doesn't adapt immediately to all that is new. We feel this, we have begun to rethink many established values, including in the military and of course the political field, to make them fully conform with new realities."

A huge new military effort would not only drain resources, it would probably give the Soviet military more to say about managing the economy just when Mr. Gorbachev wants to move rapidly to make changes. He has to deal with the internal power structure before he deals with allocations, and needs to know how much elbow room he can expect. This could explain his haste.

Mr. Gorbachev used the occasion of a meeting with French parliamentarians, including the opposition, to deliver his points, couched in a sweeping call for East-West conciliation. This is not the kind of language Mr. Reagan can effectively answer with his "low-key expectations." His call for a Western summit meeting in New York this month before he talks with Mr. Gorbachev shows Washington rears the stakes.

Not to outdo him, Mr. Gorbachev has called his own Eastern summit session in Bulgaria at the same time. He will not run into the problem Mr. Reagan is having, with complaints from Belgium and the Netherlands about not being invited, and the refusal of President François Mitterrand of France so as not to give the appearance of having accepted a summons. The superpower alliances are parallel, not equal. The difference, need not be a handicap if Mr. Reagan can respond convincingly that the United States' terms for agreement will reinforce peace, not the arms race. He faces a determined challenger. This is not a time to stonewall. America would risk credibility, and perhaps a real opportunity.

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## LETTERS TO THE EDITOR

### Press Under Pressure

Regarding "Nicaragua's Last Opposition Daily Delivers the News the Censors Cut" (Sept. 25):

The Prensa hangs on by a very thin thread. A look at the history of the Sandinista's Soviet-style censorship shows how thin.

In October 1977 Lenin and his men took over newspapers, magazines and radio stations and called censorship "essential" to their fight against "counterrevolutionaries"—just as the Sandinistas defend censorship as "essential" while they are fighting off the attacks of U.S.-backed rebels known as "contras." Sixty-five years after crushing their last opponents (in

a civil war) and even as a superpower, the Soviet regime controls every word printed or broadcast to the peoples it rules: Russians, Armenians and Uzbeks, Latvians, Czechs and Afghans. The Russians blame it on "U.S.-backed forces" who conduct what they call "ideological sabotage" against them. So when Nicaragua's President Daniel Ortega, Salvadoran measure "we should not confuse 'exceptional' with 'temporary'." The Prensa can be thankful for the pressure from the contras and the United States. It does not cause censorship, but mitigates it.

T.H. BAGLEY, Brussels.

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Gorbachev  
Deserves  
A Response  
By Flora Lewis

PARIS — Mikhail Gorbachev's visit to Paris for the first time since he became premier of the Soviet Union has created a new excitement in the city. The Soviet leader's arrival was greeted by a massive demonstration of support for his policies. The crowd, which included many young people, sang the Soviet national anthem and held up portraits of Gorbachev. The demonstration was organized by the Soviet Consulate in Paris and the Soviet Cultural Center. It was a rare sight in Paris to see so many people gathered in support of a foreign leader. The Soviet Consulate in Paris is located in the 16th arrondissement, near the Eiffel Tower. The Soviet Cultural Center is located in the 17th arrondissement, near the Bois de Boulogne. The demonstration was a clear sign of the popularity of Gorbachev's policies in France. It was also a sign of the growing influence of the Soviet Union in Europe. The Soviet Union has been a major power in Europe for many years. Its influence has been growing steadily since the end of World War II. Gorbachev's visit to Paris is a further sign of this growing influence. It shows that the Soviet Union is still a major power in Europe and that its policies are still popular in France.

# ITALIAN FASHION

A SPECIAL REPORT

SATURDAY-SUNDAY, OCTOBER 5-6, 1985

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## Milan Shows Its Charms During the 'Collezioni'

By Leticia G. Jett

MILAN — It is not a beautiful city, not in the way Rome and Florence and Venice are; in fact, it is rather dull and drab, save for the regal presence of La Scala. But Milan just now is a city vibrantly alive with activity and productivity, and that in itself makes it irresistibly attractive.

Every year thousands of people are drawn to Milan to participate in various spectacles surrounding one of Italy's most important natural resources: the design, sale and promotion of some of the world's most beautiful and innovative products.

It is Milan that hosts most of the country's important design fairs, from the enormous furniture fair in September to various fashion fairs, including the influential Milano Collezione held in March and October and which features the top names in Italian ready-to-wear design. According to its organizer, Beppe Modenese, last season the Collezione attracted 1,700 international retail buyers, as well as 500 Italian journalists and 600 from other countries.

Recently Italian designers have been chided for focusing more on the bottom line than on the hemline. Giorgio Armani disagrees: "I believe Italian design is the purest in the world. Its creators have an eye to the future as well as an inherent sense of the past, which is simply part of our culture and perhaps most important of all, we don't take ourselves too seriously."

Fashion is not only a highly visible business; it also contributes mightily to the national economy. In 1984 sales from the textile-clothing industry, beauty products and leather goods reached \$39 billion, \$15 billion of which was in exports.

One recent export that further underscores the international appreciation of the talent behind the Made in Italy label is an exhibition of a group of Gianni Versace's clothes at the Victoria and Albert Museum in London.

This was an unprecedented event, which earlier this month included dinner and a fashion show in the museum, as well as a series of seminars with the designer speaking to students and journalists.

A selection of Versace's work will remain on display in the museum's Raphael Cartoon Court until Oct. 30, where his models will be surrounded by Raphael paintings — created over 450 years ago as designs for tapestries in the Sistine Chapel — on loan from Queen Elizabeth II.

Even the Milanese are caught up in this positive esprit. Gone are the

days of hiding behind the security of walled-in homes, leaving the jewels and furs safely out of sight. With great relief, Italian women are doing what they love to do best — flaunting their precious baubles and wrapping themselves in lush, exotic furs.

Discreet displays of the good life were never particularly amusing for women whom no one could ever accuse of understated minimalism when it came to piling on jewelry.

"We have it all here," Modenese said. "All of the industries relating to design, the fabric and yarn mills, the manufacturing facilities, they are all located within an hour of Milan. It makes this city the center of a very important life. It's true, there are not that many things to see as far as a tourist is concerned, but we have wonderful restaurants, beautiful homes right in the center of the city and some of the best shopping in the world. And don't forget Memphis (the extraordinary furniture design firm, founded by Ettore Sottsass in 1981), that set off a shock wave through the entire interior design industry making all the stodgy concepts of decoration *de mode* with its racy, flamboyant, irreverent and highly creative approach to objects and their function had its beginning here."

Now, too, everyone is getting all dressed up with plenty of places to go. Not only are the shops along the Via Spiga and the latest hot spot, Via Brera, experiencing extraordinary sales, but once again dining out is in, as is attending La Scala and even late-night dancing.

As for the retail scene, Aldo Pinto, the business manager and husband of Krizia's designer, Mariuccia Mandelli, said sales in their boutiques were up 30 percent over last year. "The other day I got a call from the Via Spiga store and the salesperson told me an American woman had just left after spending \$16,000. Earlier in the month the manager of the shop in Rome called to say sales had reached 52 million lire (about \$31,000) that day. It is a tiny place so naturally I thought she had made a mistake, that she was talking about the sales for the week, but she wasn't," he said.

(All of this wanton spending has led many Italians to gleefully refer to the dollar, the yen and the mark as "precious money.")

For those who need nourishment after a strenuous morning of shopping, the chic lunch spots in Milan include Bice, Torre di Pisa, La Taverna, Il Girarrosto and Giannino. For dinner most of the above continue to pull in an attractive, interesting crowd, while Savini, Sant'Andrew's, El Toulou and the

restaurant in the Palace Hotel, Casanova, draw what is generally considered a "traditional, elegant" clientele. After theater it's Biffi Scala, Savini, Santa Lucia, described by those who frequent the place as "an extremely fashionable trattoria" and again, Giannino.

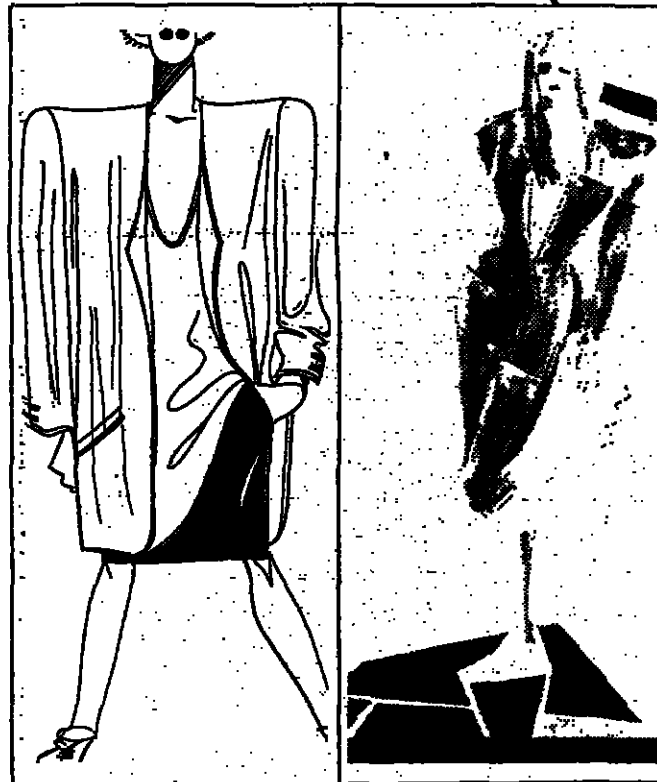
After 11 P.M. the trendy preppy types head for the Bar Nazionale to mingle. For dancing, Nephenta is still popular, but now it has more competition with Cafe Roma and the punky Plastic nightclub.

In the next week as the spring-summer ready-to-wear collections begin these places will be filled with competitively dressed fashion professionals from Japan, the Far East, the United States and Europe, all nibbling on superb pasta, watching the way Italian women are getting themselves up at the moment and pondering one of life's more relevant issues: What will women want to wear six months from now?

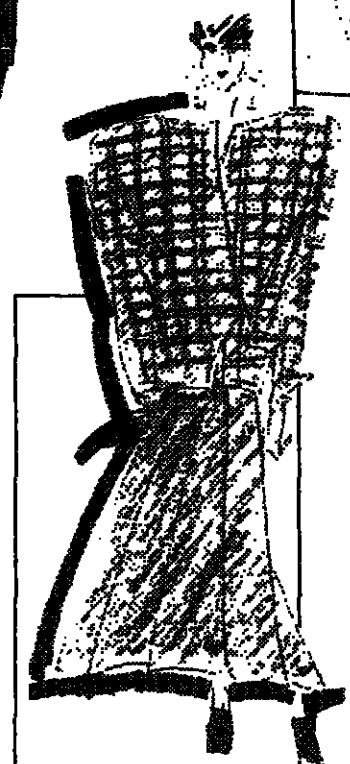
Of course the designers figured this out long ago. They plan big shouldered looks with defined waists, plenty of pants "for the simple reason that women want them," Luciano Soprani said, and skirts that are either very long or very short. Colors are mostly subdued neutrals except for a prevalence of strong blues and here and there the shock of bright colors.

"My clothes will be very close to the body for evening," Armani said. On the subject of dressing in general, Armani, maintains he be-

(Continued on Next Page)



Top: Giorgio Armani's short, snazzy suit; below, left, Krizia's liquid layers and Gianni Versace's daringly divine dress.



Top, Claude Montana for Complice sculpted jacket and short pants. Center, Luciano Soprani's tony textures and Gianfranco Ferré's tethered T-shirt.

## On the Street in Rome, Summer Prevails

ROME — As the long, hot summer prolongs, Roman residents continue wearing loose cottons and linens, adding wide hip belts and amusing shoes to a super-relaxed look. City and country wear are no longer distinguishable. Despite a limited show of "correctly classical" clothing, the "extra-casual-ready-to-play" look appears to stretch with simple changes of weight and proportions from one season into the next.

— SHEILA NARDULLI



These young women demonstrate what Italian women do best: assemble snappy separates with a panache that clearly demonstrates a sense of fashion independence.

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A sense of the future

Gianni Versace at the Victoria and Albert Museum

Gianni Versace's collection, "A sense of the future," is on display at the Victoria and Albert Museum, London, from October 10 to November 10, 1985. The collection is a testament to Versace's vision of the future of fashion, featuring bold, sculptural forms and a mix of traditional and modern elements. The collection is a must-see for anyone interested in fashion and design.

Gala Fashion Show - Mercredi 2 Octobre 1985, 19 heures 30 - Raphael Cartoon Court  
Journée d'étude - Jeudi 3 Octobre, de 10 heures 30 à 16 heures 30 - Museum Lecture Theatre  
Les vêtements Gianni Versace appartenant à la collection du Musée seront exposés dans la Galerie 40.



## A SPECIAL REPORT ON ITALIAN FASHION

# Taking the Measure of Milan: A Guide To Shopping for Your Own Special Look

By Kate Singleton

MILAN—Many people consider Milan to be the quintessence of elegance. But why? You can buy Missoni knitwear or Armani jackets or Krizia dresses in cities throughout the world, after all. So the secret does not lie in the famous labels.

To the contrary, The secret lies in the lack of labels. It lies in the army of anonymous artisans who make clothes to measure. The fabrics are superb and so is the cut. And the prices? Not necessarily exorbitant. Try some of the following next time you are in Milan and you will feel like being self-indulgent, but original. You can trust the people who are serving you. They really do know which shapes flatter and the effect of a given material once it is made up. All the places mentioned will post to overseas clients.

G & C Scalfi at Via Mercato 3 (10 minutes walk from the Duomo) has a wide range of exquisite woolen fabrics, linens, cottons and silks for both men's and women's outfits. The men's section is more traditional—but then men's clothes last longer, so it makes sense.

A man's two-piece suit in a top-quality Italian cloth will cost around 600,000 lire (\$300); a jacket from 450,000 to 550,000 lire; an overcoat around 600,000 lire.

The women's section is larger and brighter and the fabrics are absolutely stunning. Scalfi makes up a few very smart models every season, so that you can get an idea of cut and new fashions. But you can suggest modifications, and they will leaf through copies of Vogue to pin down what you're after.

A woman's two-piece light woolen suit with a silk blouse will cost in the region of 600,000 lire; a skirt alone perhaps 150,000 lire. High-quality cottons and linens do not cost much less than wools, so summer and winter prices are similar.

Normally, Scalfi can make up what you order in a week or 10 days; but the first time, leave a day or two for eventual adjustments.

Just three minutes away from Via Mercato is Via Madonnina. There at No. 2 is a shop called Alfonso Garbano. It deals in men's and women's shoes and has a successful line of trendy footwear, which they enrich with about 10 new models each season.

Women's shoes go from 49,000 lire to 169,000 lire; men's from 99,000 lire to 220,000 lire. And the delight of the place is that once you have selected a shoe that suits you, you can have it made up in any one of a fantastic range of colors (invest in a matching belt and bag while you are at it). Women's sizes go from a 33 (which is

snake-head clips and birds of paradise that meet beak to beak around your waist (approximately 60,000 lire).

And if you cannot find exactly what you are after in this jungle of color, then explain what you need to the proprietor and she will have it made for you in eight to 10 days. The same goes for the costume jewelry she specializes in.

If you are interested in knitwear that is stylish but different, then get a taxi to Corso Vercelli 31 (or get out at the Pagano subway stop). Here in an atelier Tina Bastianini designs and displays cardigans, gilets and pullovers that are hand knitted in limited editions.

Tina actually comes up with about 500 prototypes a year in fancy wools. But if none meets your

around 200,000 lire. But there are innumerable cheaper but adequate shirtmakers in Milan. There must be, because if you look around in the city center you will notice that half the male chests sport the tell-tale monogram that denotes the hand-made article.

Giuseppina at Via della Spiga 46 (also right in the center) will make women's underwear to order in about a month. Anything from nighties to culottes and petticoats (but not bras) in silks, satins and finest cottons.

A nightdress in apricot-colored hand-embroidered silk will cost 250,000 lire; in cotton 100,000 lire. A petticoat and culottes of the sort now coming back into vogue, in pearl gray silk, will be about 200,000 lire.

The last word on details still has to be said, however. Go to Lorenz in Via Montenapoleone 12 and pick something out from the amazing array of chintzes, paisleys, laces, tartans, gingham and checks that have been made into watch-straps. You are not likely to spend more than about 20,000 lire (\$10), and with this you will have revolutionized your faithful old time-piece. That is, if you have not already succumbed to buying a completely new watch from their staggering collection.

One last suggestion. You have been traveling and you know what a bore it is to find your purse bulging with useless foreign coins, how embarrassing it can be when you cannot put your hand on your credit card, how worrying to discover you have mislaid your plane ticket.

Federico Boffi at Via Mascagnini 20 (opening in November; a short taxi ride from the center or a few minutes walk from Tina Bastianini's atelier in Corso Vercelli) has the answer, based on his personal analysis of the problem. It is a fine leather folder that contains a ring clip opener into which you slot a credit card holder, a ticket holder, a purse with four different-colored zip compartments for different currencies, a passport holder, a calculator—all in black leather. These units can be used separately, and they look nice.

As for the folder, it is smart and simple enough to suit men and women as a bag; but it is small enough to fit into a briefcase. Prices: the folder costs 129,000 lire and the innards range from 33,000 lire to 60,000 lire. Federico Boffi sells other exquisitely made bags. But his real delight is coming up with exactly the right answer for your requirements.

**The secret lies in the lack of labels. It lies in the army of anonymous artisans who make clothes to measure. The fabrics are superb and so is the cut.**

tiny) to a 45 (which is enormous), and you can also choose the heel height you want. Orders take from 15 to 20 days.

If you would like to brighten up the skirt you have just tailored with an unusual belt, make your way to Largo Cairoli (5 minutes walk from Via Madonnina) and then down a small side street called Via Camperio. There at No. 15, you will find Il Campetello, which stocks a colorful assortment of belts with every conceivable type of clip, buckle, and fastener.

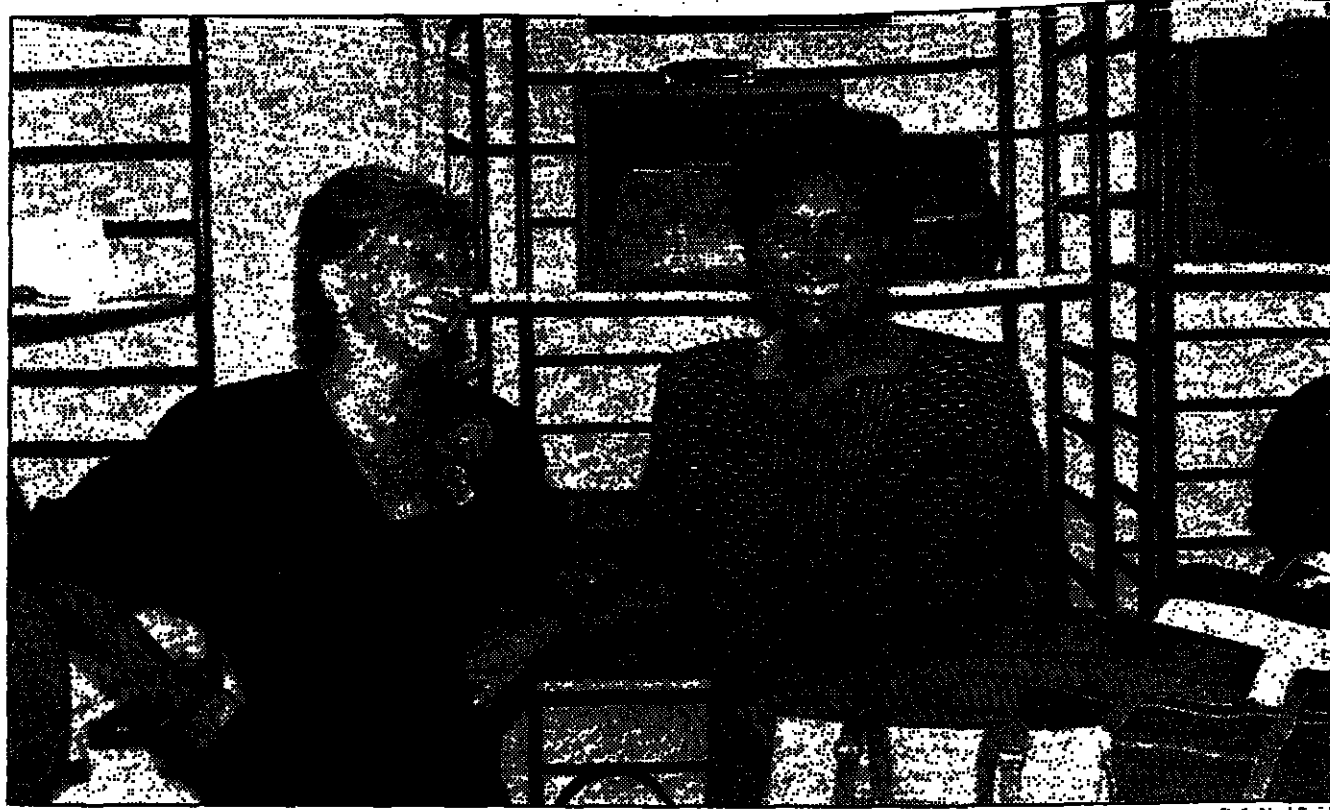
There are super-elegant fine gray leather ones with a folded motif at the front or a floral buckle in two tones of gray enamel (55,000 lire). But there are also bright glittering belts in a special stretchy cord with fiery dragon fasteners, diamanté

requirements, she will produce exactly what you need in about 10 days—men, women and children catered for.

Prices range from 150,000 lire to 170,000 lire an item, depending on the yarn. (Tina speaks English, French and German, so explanations are easy).

Back in the center of town, you might like to indulge your taste for details. Underwear, for instance. A number of men's shirtmakers will also make boxer shorts in the chosen material.

Vittorio Staiscalchi in Via Gesù 8 is the very best for shirts. In fact, he will only start to supply you when he is quite sure the pattern is perfect in every respect. Thus, the first time may be rather a lengthy business. And the shirt will cost you



Anna and Carla Fendi, two members of the family responsible for some of the world's most popular status symbols.

## The Fendis, Fashion's Formidable Five

ROME—After meeting one or more of fashion's legendary Fendi sisters, it becomes immediately clear that any number of adjectives could account for the other initial in their super-chic double F logo.

Words like focused, flamboyant, fastidious and forceful come quickly to mind.

But Paola, Anna, Franca, Carla and Alda Fendi would no doubt choose another word to describe the prestigious leather, fur and ready-to-wear business their parents founded in 1925. Certainly it would be family.

For above all, the name Fendi has come to represent a strong, dedicated dynasty that produces some of the world's most coveted status symbols, many of which are lavishly splashed with the double F signature designed by Karl Lagerfeld.

This year marks the 60th anniversary of the fashion family and 20 years of close association with Lagerfeld, the man who also designs the Fendi ready-to-wear and the extraordinary fur collection and who gives aid and counsel on the enormous collection of accessories.

To commemorate the occasion—and most particularly, Anna and Carla emphasize, to honor Lagerfeld, the man who also designs the Fendi ready-to-wear and the extraordinary fur collection and who gives aid and counsel on the enormous collection of accessories.

"This is the first time in the history of this country that any museum has allowed fashion to be displayed," Anna Fendi said. "From a moral

point of view it is an important step for Italian fashion in general."

Even so, Lagerfeld is not particularly keen on the idea of homages, especially in museums. "It's lovely that they want to do this, but for me the past is not what fashion is all about," he said. "I've told them that and they understand."

He acquiesced, of course, and in deference to his maxim that "the past is boring," included in the exhibition will be a collection of lively sketches depicting futuristic fur fantasies.

"It is interesting, of all the people I have worked for [and Lagerfeld has probably worked for more major houses than any other designer, including Chanel in the past, Chanel and his own label in the present] it has been the most pleasant of my relationships," Lagerfeld said. "We have not had a fight in 20 years and believe me I fight easily—I don't start them, you understand, but don't attack."

Others have found the formidable five less congenial. One long-time associate describes the second generation as: "Little lambs who are really little wolves," when it comes to their tough business tactics.

With few exceptions, however, those who know and work with the Fendis have unequalled respect for their brilliant marketing sense, loyalty to clients, especially those who supported them in the beginning, and their unwavering family fidelity.

"In the beginning, my mother and father knew they wanted to attract the very elegant woman," Anna said. "At that time 90 percent of these potential clients were carrying Gucci bags. No one ever thought about status symbols then, just that ideal."

Over the years they have more than attained that goal.

With 54-year-old Paola, the eldest sister, directing the \$59-million operation, each member of the family has specific duties, and over the years all but one of their husbands came into the business. Now the third generation is joining the ranks and recently designed a young, kooky and inexpensive line of accessories labeled Fendissime. And a year ago last September, the first member of the fourth generation made his debut.

"We all feel so much younger now that our children are working with us," Anna said. "Their greatest contribution is the freshness that comes with their youth. Knowing that my three daughters will take over one day gives me a new enthusiasm for everything."

Yes, but maybe there is such a thing as too much family, at work, at home. Are they ever at each other's throats?

"Not at all," Carla said. "Most of the time we are working in different offices, concentrating on different projects. We come together when major decisions have to be made. Furthermore, we have our private lives. We aren't together all the time."

"Christmas is the big exception. Everyone is forbidden to leave town on that day. It is our single most important family fête. We take turns every year and every year the group gets bigger and bigger. There are 11 in the third generation, then there are the husbands, the in-laws, the boyfriends and girlfriends."

"We are a very big family," Anna added.

—LETTITIA G. JETT

## Milan Shows Its Charm During 'Collezioni'

(Continued From Previous Page)

lives that the height of sophistication is "the woman who takes all labels out of her clothes."

Gianfranco Ferré said his whole collection works off of the T-shirt shape. Sometimes it clings precariously close to the body, at other times it is loose and easy, most everything will be belted. His pants will be large at the top and narrow down onto the leg.

Krizia's Mandelli is in accord with her peers on the option for women to show off taut, well-cared for bodies. "At times the line adheres to the body with vigor," she said.

After all the show-and-tell in this world of conspicuous consumption, it is perhaps Giorgio Armani who best articulates what he specifically, and the Italian designers in general, seem to do best.

Apart from their dedication to detail, excellent craftsmanship, a special sensibility for color, texture and uncontrived structures it is their appreciation of the fine line between the real world and the absurd that has strengthened their industry.

"I believe in fantasy up to a point, but I never forget that ultimately a woman must wear the clothes I design. They must be sold."

The **andré laug** collection will be shown on October 9 at 9:15 a.m. in Milan - Hotel Principe & Savoia.



**andré laug** boutique. Via della Croce, 76, Roma. Tel.: 67 80 006.

## Ferré Designing for Furniture, Too

MILAN—Before Gianfranco Ferré was a ready-to-wear designer, he was an architect.

Despite his training, however, early on it was fashion that most attracted and fascinated him, and for more than a decade he has concentrated his creative efforts on this, his primary interest. Always he has declined the frequent requests from interior-design and architectural firms to do licensee work for them.

Although he has licensee agreements to attach his name and reputation to such items as leather accessories, shoes, glasses, perfume and watches, for various reasons the perfect opportunity to specifically meld his architectural discipline with his passion for fashion never presented itself.

It never presented itself that is until six months ago when B&B Italia, one of Italy's more innovative furniture design houses, and an old friend, Paolo Nava, suggested that Ferré might be seduced by an amusing twist on his talents. Why not, just for the fun of it, look at a chair or a sofa as if it were a woman? Why not indeed?

Anyone can make a slipcover, but who could better design a dress, or better still a mini-wardrobe for a piece of furniture?



Ferré liked the idea a lot. It appealed to the 41-year-old designer's sense of style and his sense of humor so he proceeded to create three changes of "clothes" for one chair and two sofas.

—LETTITIA G. JETT

**GIANFRANCO  
FERRE**

## Moods by Krizia, Affordable Looks For The Limited

MILAN—In his unbiased opinion Aldo Pinto believes Krizia's designer, Mariuccia Mandelli, is "the most complete woman designer in the world."

If there is some prejudice involved in that opinion, what with Pinto being the business manager of Krizia as well as the husband of Mandelli, his enthusiasm and support for her work could not be more genuine.

Now, Mandelli and Pinto have decided to expand their customer base in a recent agreement with The Limited, a chain of more than 500 moderately priced women's apparel stores in the United States. As of February the company will deliver a 40-piece collection of clothing—in line with the store's price structure—which will be called Moods by Krizia.

According to Pinto, The Limited has projected "conservative" first-year sales of Moods at between \$60 million and \$70 million.

"Everything will be simpler, of course; the fabrics different, but it will obviously reflect the Krizia look," Pinto said. "Mariuccia will see to that, she knows what she wants and she always gets it."

—LETTITIA G. JETT



PARIS: 43 Rue  
MILANO: Via  
ROMA: Via Bo  
SCHIA: Piorze



## Fashion Designers Find Quality Leads To Quantity in Sales

By Sari Gilbert

MILAN — Behind the dynamic creativity of Italy's top stylists, known for their imaginative use of fabric, color and design, lies an impressive economic empire whose business performance in recent years can be described as brilliant. Giorgio Armani, whose debut came 10 years ago, today has a yearly total turnover of more than 850 billion lire (\$138.7 million). Krizia's 1983 turnover is said to have been about 40 billion lire and Mariuccia Mandelli may have earned a similar amount in franchises and royalties. Gianni Versace reportedly sold 12 billion lire worth of clothing in Japan alone last year. Basile, which is designed by Luciano Soprani, sold 32 billion lire worth in 1984. Missoni, which is soon to be starting its own line of prêt-à-porter in conjunction with

According to Mr. Giametti, however, the main reasons for the Italian success include the creativity of Italian designers "who never stop experimenting," and the fashion world's skill in promotion and public relations.

In addition, he said, "We have been able to rely on the support and expertise of Italy's long-standing artisan and fabric traditions." The French, he pointed out, today buy 90 percent of their textiles in Italy.

There is in Italy a happy marriage that exists between stylists and the increasingly modern Italian clothing industry.

Armando Branchini, president of the Association of Italian Clothing and Textile Industries, said, "The stylists may be the engine, but to have a train you also have to have railway cars behind it."

Our manufacturers have shown flexibility and imagination in their ability to combine fashion and production," said Mr. Branchini. The proof is in the production figures.

Last year, Italy's 28,000 clothing and knitwear factories had sales of 20,570 billion lire and estimates indicate an 11.8-percent increase to 23,000 billion lire this year. Clothing exports amounted to 8,690 billion lire in 1984 and should reach 9,760 billion lire, an increase of 12.3 percent this year.

The major industrial success of the Italian fashion and clothing world is, of course, Benetton. The company developed over the last 20 years from a small knitwear firm in Treviso in northern Italy into a multinational company with 400 outlets in the United States alone and a 1984 turnover of 632 billion lire, a 26.4-percent increase over 1983 results.

Other highly successful firms are Zegna, which produces Versace menswear; Maxmara, which has half a dozen brands of its own; Lebole, which along with its own label produces all of Laura Biagiotti, and Girombelli, which does Jenny (Versace) and Complice (Montana).

But there are some problems. Mr. Branchini says clothing manufacturers are worried about high production costs undercutting Italian competitiveness. In recent years, Italy's share of the Western European clothing market has shrunk. Previously, Italy's European neighbors bought 70 percent of Italian clothing exports, but that share has now declined to 56 percent.

Umberto Giocchetti, a designer and manufacturer who has between 400 and 500 sales outlets in West Germany, France, Britain, Japan, the United States and Italy, said prices and services "will decide the future of our industry."

Mr. Giocchetti, who produces, along with his own label, Thierry Mugler in France and Ursula Conzen in West Germany, last year had a turnover of \$21.1 million for his own line alone.

Pietro Ricciardi of the government's Foreign Trade Institute in Rome, said Italy's clothing industry has no more problems than any other branch of Italian industry, all of which suffer the restraints of the prevailing high interest and inflation rates as well as the higher dollar cost of most imported raw materials.

Some people in the fashion industry credit Valentino's insistence on high-quality refinishing when he moved his ready-to-wear production back to Italy with helping to set high standards that have paid off on the prêt-à-porter balance sheet.

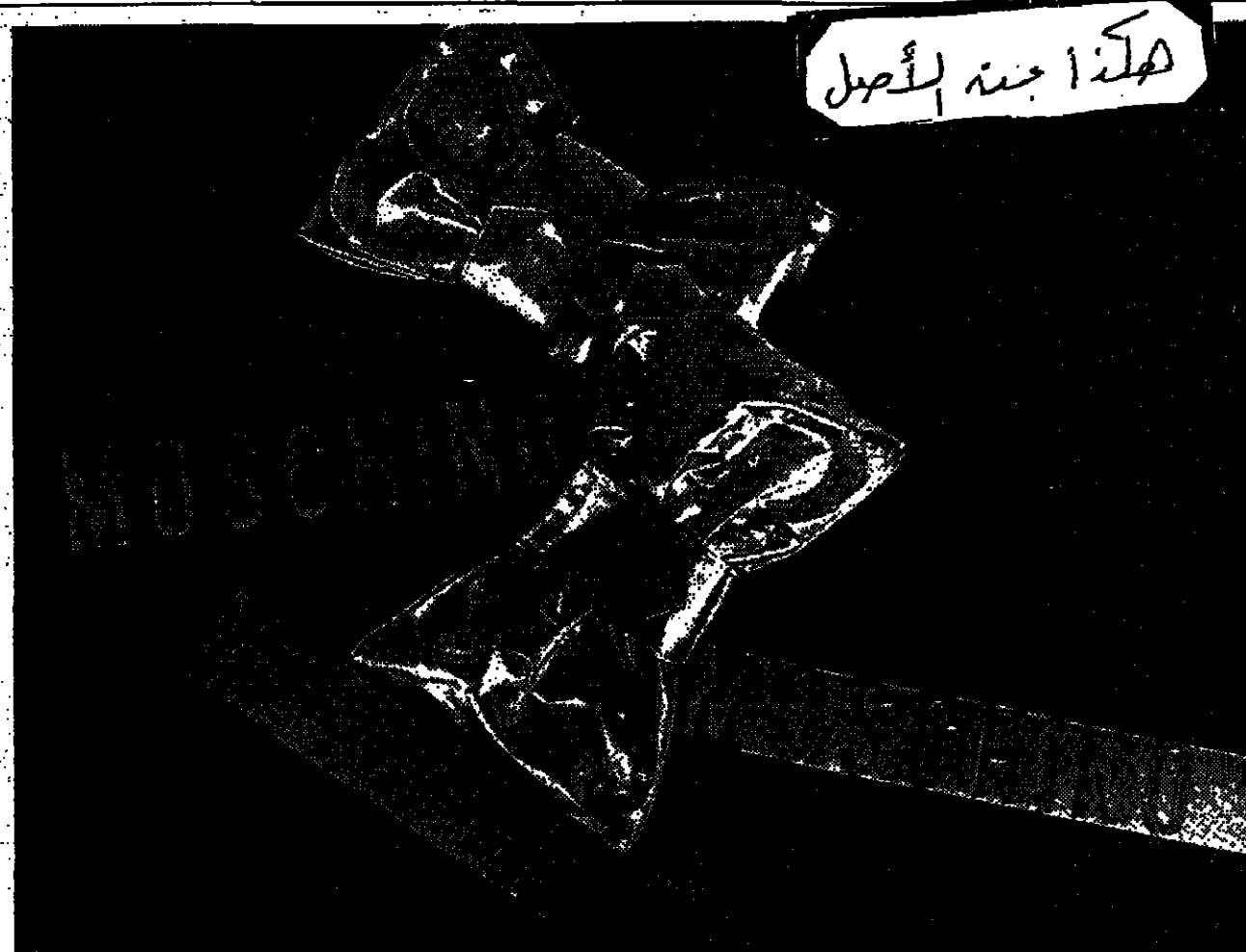
Marzotto, a major Italian clothing manufacturer, last year had knitwear-plus sales of 25.6 billion lire.

Valentino, with close to 800 sales outlets worldwide and almost the only major Italian stylist today whose international reputation dates back to the 1960s, last year took in over 100 billion lire, for sales of Miss V, Valentino Boutique and Valentino Menswear. That does not include his couture collection, perfumes, accessories, underwear, linens and other products.

But that sum represents roughly one-fourth of the 1984 turnover of Gruppo Finanziario Tessile, the Turin-based clothing manufacturer, which has been producing Valentino's prêt-à-porter collections since 1980 and which also manufactures Armani, and the French designers Emanuel Ungaro and Louis Feraud.

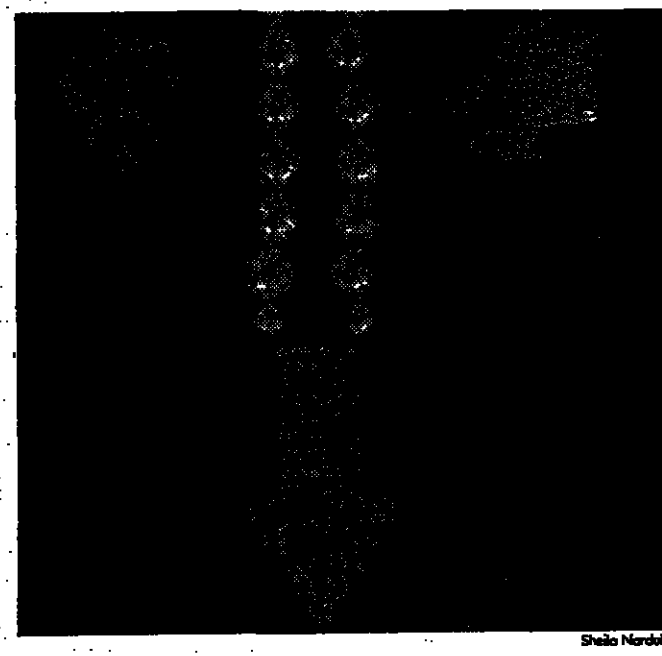
Valentino, who for what managing director Giancarlo Giametti terms "reasons of tradition" still shows his ready-to-wear collection in Paris not Milan, probably can be credited with part of the recent Italian fashion explosion.

Some people in the fashion industry credit Valentino's insistence on high-quality refinishing when he moved his ready-to-wear production back to Italy with helping to set high standards that have paid off on the prêt-à-porter balance sheet.



Amusing metallic bow bags for evening by Franco Moschino and to make sure no one forgets his name he plastered it all over his shiny gold and silver belts, above. Below left: Ugo Coreani's pins and pearls.

## The Essential Accessories: Big and Bold



ROME — No longer a matter of choice, the accessory has become essential, an integral part and often the focus of modern Italian clothing design. Costume jewelry or bijouterie has followed the new shapes and proportions and consequently has become large and bold in design, taking on dimensions impossible or prohibitively expensive if made with precious or semiprecious stones. Materials and colors are unlimited and unique combinations the norm.

Metals, rope, gilded threads, pearls, crystal, pressed turquoise, rhinestones, imitation ivory and imitation anything are freely combined in an exuberance of color and shape. Moderate prices permit a complete change of accessories more easily than a change of shoes.

Jewelry design and ornamentation has been a peculiar Italian talent for centuries. The Etruscans began creating numerous decorative objects and jewels using a variety of metals (all considered precious) as well as gold. The precision and fantasy of their techniques was so highly sophisticated that now certain objects would be extremely difficult or impossible to reproduce. The importance and function of decoration design was not forgotten in Medieval manuscripts, by Botticelli or by numerous Renaissance or post-Renaissance artists.

Now modern technology, a freedom of choice in materials and a continuing fantasy in design has placed Italian bijouterie in the role of the "essential" in the line of each season.

— SHEILA NARDULLI



Sharra Pagano's silver-plated and pressed turquoise necklace with matching earrings.



Belts, beads and bracelet from Valentino.

## Shoes to Foot the Bill

ROME — Italy produced 496 million pairs of shoes in 1984, exporting close to 80 percent of the output — 393 million pairs — and earning 6,159 billion lire (\$3.4 billion) an increase of more than 17 percent over 1983 export sales.

According to figures provided by the National Association of Italian Shoe Producers, during the first five months of 1985, exports increased 6.8 percent with an increase 14.1 percent in value over the same period in the preceding year.

However, Leonardo Soana, director of the Italian Association of Shoe Manufacturers, said that although exports are doing well in general (particularly in the United States, which imports a high quality, high priced product) inflation at home is undercutting Italian competitiveness in other areas.

Thus, the number of pairs of Italian shoes imported by West Germany, where a medium-priced shoe is preferred, dropped by two million in the first half of this year. Mr. Soana said that there are also serious problems for the shoe industry at home. He said that Italian casual shoes were being increasingly undercut in price in the domestic market by imports from manufacturers in Taiwan, Korea and China.

— SARI GILBERT

### CONTRIBUTORS

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FRANKFURT Goetheplatz 7

GENEVE 31 Rue du Rhône

HONG KONG The Landmark, 313 Central Building Pedder Street

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SATURDAY-SUNDAY, OCTOBER 5-6, 1985

ECONOMIC SCENE

Shenzhen: China Confronts  
The Free-Enterprise System

By LEONARD SILK  
New York Times Service

**S**HENZHEN, China — This Special Economic Zone, an area marked out to attract foreign investment through special tax programs and other incentives, is the most spectacular success story of China's open-door policy. It is expected to become the principal support base for offshore oil exploration in the South China Sea, and it is likely to become a major exporter of food, textiles and petrochemicals.

While not without its problems, the growth of Shenzhen — which lies just across the water from Hong Kong and is connected to the New Territories in the south — can be seen in a number of other ways: Since 1979, its population has mushroomed from 20,000 to 350,000; it has signed more than 2,300 foreign investment agreements valued at more than \$1.6 billion; it has attracted more than 30 percent of all foreign investment in China; it has seen the number of businesses grow to 400, and is planning 307 more; its electronics industry has grown from one company employing 300 to 60 companies employing 13,000; its total output has increased 29 times, and its per-capita output has climbed to almost \$2,000 a year in a country where the average has been less than \$100.

As for the zone's problems, a key one is a black market in currency. Three kinds of money circulate in this area — China's currency, its foreign exchange certificates and Hong Kong dollars. The three currencies, which can be used for purchasing only certain kinds of goods, provide opportunities for major wheeling and dealing.

Zhang Hongyi, the general manager of the Bank of China's Shenzhen branch, says the black market in money is the alternative to a black market in goods. He suggests that the goods black market would come into being without the money black market because of China's effort, which he regards as necessary, to run a dual-price system.

One set of prices is for domestic goods, with many subsidies to support the standard of living of poor people. The other set applies to imported goods. There is no way to raise an impenetrable wall between the two.

Some people here maintain that the three-currency system, complicated as it is, is a valuable stimulant for business activity. But Mr. Zhang does not agree.

"It's not good for the country to allow foreign currency to circulate," he says. He adds that the disorderly currency system helped bring on the huge scandal on Hainan island involving government officials who imported cars at one rate, sold them inland at far higher prices because of monetary differences and then turned the profits back into foreign exchange for importing more cars.

This scandal and other criticism, Shenzhen officials say, will not deter them from policies that have brought such prosperity. "We know from experience that the closed-door policy did not work and we will not go back to it," one official said.

The open door does not mean just an effort to put out the welcome mat to foreign money and technology. The Chinese are also trying to bring people here with whom they wish to make friends, regardless of their politics or even their past connections with Taiwan or South Korea. Many are scientists, economists, business people and politicians from the United States.

For example, Ken Jernstedt, 68, a member of the Oregon Legislature, who has been a test pilot at Republic Aviation and a Coca-Cola dealer, is back in China for the first time since World War II, when he was a member of the Flying Tigers.

Mr. Jernstedt, who specializes in affairs of the Pacific rim in Oregon's Senate and has maintained close ties with Taiwan, was wary when he and his wife were invited by the Chinese government for an expense-free trip. But he wanted to see his old base in

(Continued on Page 17, Col. 4)

IMF Sets  
Quake Aid  
For Mexico

Loans Approved  
For \$300 Million

By John Burgess  
Washington Post Service

**S**EOUL — The International Monetary Fund's executive board said Friday that it was prepared to give Mexico emergency loans of \$300 million to help repair the damage of last month's earthquake. The IMF announcement came as the World Bank considered diverting a like amount of loans previously approved for Mexico into emergency aid, according to an official who is in Seoul for the annual meeting of the bank and the IMF next week.

Shortly before the earthquake Sept. 19, the bank approved a \$300-million loan for construction of low-income housing. The official said that loan in particular might be diverted to reconstruction.

The international banking community is assessing the damage from the quake, which killed at least 7,000 people, and whether it will affect Mexico's ability to service its estimated \$96 billion of debt to foreign banks.

That subject and the problems of other heavily indebted Latin American countries are expected to be major topics at the Seoul conference, bringing together finance ministers from 149 countries and more than 8,000 other delegates.

**Buzz Over U.S. Policy**  
Clyde H. Farnsworth of The New York Times reported earlier from Seoul.

A staple of conversation among those gathering for the IMF-World Bank conference was the revised U.S. strategy for fighting the world debt crisis.

Turning away from previous support of IMF-imposed austerity programs, the Reagan administration is now focusing on trade expansion, encouragement of market-oriented policies in debtor countries, and mechanisms to get more money to the poorest lands.

"The big message is that we're for growth," said one Washington official. "If you attract capital with pro-investment, pro-market policies, you can soften the harshness of the program."

James A. Baker 3d, the U.S. secretary of the Treasury, is expected to press hard on this issue when he addresses the conference on Tuesday.

Officials of developing countries who have arrived early for consultations are reacting warily to the new U.S. strategy.

Much of the skepticism is due to two apparently conflicting pressures: a worsening of the debt crisis in both Latin America and sub-Saharan Africa and increasing protectionist pressure in the United States. Major debtor nations maintain that they cannot hope to repay their debts until they make more dollars by increasing their exports.

For that reason, Reagan administration officials are now saying that what is needed is trade liberalization.

(Continued on Page 15, Col. 7)

Harley-Davidson: A Long Road Back

Import Tariffs  
Help to Revive  
U.S. Cycle Firm

By Nicholas D. Kristof  
New York Times Service

**N**EW YORK — The Hell's Angels motorcycle club and the California Highway Patrol seldom have much in common, but they could about their mutual admiration for recent models of Harley-Davidson motorcycles.

"It's amazing, the difference," Michael O'Farrell, president of the Hell's Angels chapter in Oakland, California, said of the latest models. "They don't beat you to death any more and your kidneys are still intact."

Mr. O'Farrell is delighted with his 1985 Harley and expects that the Hell's Angels will continue to require all members to have Harley's rather than Japanese-made bikes. For one thing, he said, the club prefers to buy American.

Likewise, the California Highway Patrol is buying Harleys again, after a 10-year period when it purchased Kawasaki and Suzuki bikes.

The newfound enthusiasm for Harleys is a sign of a revived vigor in Harley-Davidson Co., a company that only a few years ago seemed destined to become the latest victim of Japanese competition. But the Reagan administration came to the rescue in early 1983 by imposing heavy tariffs on imported large motorcycles.

Since then, Harley-Davidson has made enormous changes, slashing costs and bolstering quality. It has come so far that today, executives of other companies attend its monthly seminars on efficient management.

"What they did is a model for any company," said Thomas J. Jacoby, an engineer at the Saginaw division of General Motors Corp.

Lawrence I. Toriello, director of advanced marketing at the Mercury Marine division of Brunswick Corp., agreed. "We're doing some things that we in U.S. manufacturing ought to be doing," he said. "They're doing everything they can to get a fighting chance."

But Harley is not out of danger. The competition remains intense and the market for large motorcycles is not growing. Time may also be running out for Harley. The tariffs were designed to wither the automatically, year by year. The first year they were almost 50 percent; now, in the third year they stand at 24 percent.



Harley-Davidson executives. From left: William C. Davidson, vice president of styling; Vaughn L. Beals, chairman; and James H. Patterson, vice president of marketing.

new division of General Motors Corp.

President Ronald Reagan said the protection granted to Harley was intended to give it time to adjust to the Japanese competition.

Harley adjusted in part by adopting Japanese management methods. But Harley officials acknowledged that although they may play the Japanese game better than most U.S. players, they still have not caught up.

Harley has adjusted in many ways, but a slump in the U.S. motorcycle market has meant that the company's domestic sales have fallen in recent years, despite a rise in its share of the

(Continued on Page 15, Col. 1)

OPEC Admits  
Its Inability to  
Regulate Prices

By Bob Hagerty  
International Herald Tribune

**V**IENNA — OPEC oil ministers, ending a somber three-day meeting here, acknowledged Friday that they were unable to follow their own pricing and production rules.

The Organization of Petroleum Exporting Countries failed to solve any of its major problems at the meeting, and observers said they saw no sign of new ideas on how to avert the threat of a further drop in prices.

"OPEC is not even pretending any longer to be the guarantor of world oil prices," said John Gault, an economist at IED Consultants SA, a Geneva concern owned by Kuwait, a leading OPEC member.

The oil ministers of both Saudi Arabia and Indonesia described OPEC's official prices as "guidelines." Saudi Arabia, until recently the only OPEC member that strictly adhered to official prices, acknowledged that it had agreed to give discounts to certain major customers in an effort to boost sales.

The Saudi discounts — so far awarded to Exxon Corp., Mobil Corp. and Texaco Inc. — "will have a profound impact on the pricing structure," said Subroto, oil minister of Indonesia and president of OPEC. The discounts are based on a netback system, under which the price is set low enough to ensure the buyer a profit after taking into account refining and transport costs.

Remarkably that "a new period is in front of us," Subroto said that OPEC ministers would try to "consolidate" their pricing policies and to phase out "malpractices" that tend to weaken the market, such as netback sales.

The ministers had announced Thursday night that they could not agree on how to deal with demands by some members for higher production quotas. No member was willing to reduce its quota to make room for others, and ministers generally believe that they cannot raise their overall output ceiling of 16 million barrels a day without flooding the market.

(Continued on Page 15, Col. 2)

Spot Oil Prices  
Down Sharply

Reuters

**L**ONDON — Oil prices tumbled in chaotic European trading Friday after ministers from the Organization of Petroleum Exporting Countries ended their Vienna meeting in dismay over output quotas.

Spot prices for North Sea Brent grade of crude oil fell up to 80 cents a barrel from Thursday's prices. Sellers were offering Brent for November delivery at \$27.90 after prices Thursday reached above \$28.70.

After a week when prices rose steadily on word of shortages, threats by several OPEC members to raise production in the absence of a new division of output quotas led to panic selling. Prices were still 50 cents higher than they were 10 days ago, however.

The ministers could agree only to take up the matter again at a meeting scheduled for Dec. 7 in Geneva.

Meanwhile, Iraq and Ecuador said they would continue to exceed their quotas, and Ecuador threatened to quit OPEC if it did not win approval for its production level. Nigeria's oil minister, Tani David-West, said, "We will do whatever is consistent with the country's interests."

These countries are hardly alone in putting national interests ahead of OPEC rules. A Saudi prince said last week, "Now we are saying, 'Every man for himself.'"

Some participants in the meeting suggested that OPEC would passively wait to see how major producers outside the group, such as Britain, Norway and the Soviet Union, would react to a plunge in prices from the current range of around \$25 to \$29 a barrel, already

(Continued on Page 15, Col. 2)

Protectionist Push Draws Backlash

By Stuart Auerbach  
Washington Post Service

**W**ASHINGTON — A backlash has begun against the congressional push for stronger trade laws, with leading U.S. export industries arguing that protectionist bills would hurt more Americans than they would help.

Like the White House, these industries appeared to have been surprised by the protectionist fervor that has gripped Congress since it returned from its August recess. Until late last month, the lobbyists had been more active in the debate.

But now, farmers, high-technology companies and airplane makers have joined retail groups in trying to gather enough votes to uphold a presidential veto of a bill that would sharply curtail imports of textiles and apparel.

That bill has about two-thirds of the House and more than half the Senate as co-sponsors, and appears virtually assured of passage.

On Thursday, the House Rules Committee cleared the way for its consideration on the floor, where it is scheduled for debate Wednesday.

The textile bill has drawn strong support in Congress. Sponsors said that 300,000 workers had lost their jobs over the past 10 years because of imports, which have captured about half the U.S. market. The bill gained more support in the Senate with the addition of protection for the domestic shoe industry. About 60 percent of the U.S. shoe market is held by imports.

Signs have emerged, however, of an erosion of support, even among congressmen and senators who were signed on as co-sponsors. But vote counters do not believe that loss of support is enough to keep the bill from passing.

In one sign of eroding support, proponents of the House bill beat back by a single vote an amendment in the Ways and Means Committee that would have gutted the bill. In another, a vote in the Senate Wednesday night indicated that the bill may not have enough backing to muster the votes needed to override a presidential veto.

"I think people are very uneasy about it," said Senator John C. Danforth, Republican of Missouri, who called the textile bill "just too terrible to support" despite the addition to the measure of help for the shoe industry, which he favors.

Mr. Danforth estimated that such protection would cost U.S. consumers \$14 billion a year in increased prices for clothing and would jeopardize \$33 billion of U.S. exports, such as soybeans, wheat, corn, aircraft and chemicals, that would face retaliation.

Retaliation against airplane exports of \$2.9 billion could cost nearly 75,000 jobs, many of them from Boeing Corp. in Mr. Evans' home state of Washington, a Commerce Department study said.

"If Congress does anything in this protectionist vein, the only thing it's going to do is cost us jobs," said Vico E. Henriques, president of the Computer and Business Equipment Manufacturers Association, whose members enjoy a \$5.5-billion trade surplus.

"We have heard from our customers," said Mark Ellison of the National Association of Wheat Growers, which is planning a strong lobbying effort in two weeks. "If we start passing textile bills, the ability and willingness of these countries to buy from us will be severely hampered."

South Korea-China Trade Grows Hard to Hide

By Sam Jameson  
Los Angeles Times Service

**S**EOUL — Under glass on the coffee table in the office of Lee Soo Jang, overseas trade director of Kia Motors Corp., is a map of China with six of its provinces outlined in color. It is not the kind of thing one expects to see. South Korea, after all, has been shunned by China for nearly three decades.

The map is there, Mr. Lee said recently, because Kia, the third-ranking auto company in South Korea, has had more than 250 inquiries from the six provinces since last October. The provinces are Guangdong, Fujian, Hubei, Hebei, Zhejiang and Jilin.

So far, Mr. Lee said, Kia has made no large sales to China, but it has shipped 50 vans and trucks there as samples. It plans to re-enter the passenger-car field with exports to the United States in 1987.

Mr. Lee said the Chinese, whose

first inquiries to Kia dealt strictly with imports, are now talking about joint ventures and capital investment for an auto assembly plant in China.

With North Korea reportedly still urging China to refrain from making any contacts with South Korea, evidence of economic ties between Seoul and Beijing is usually kept quiet by the South Koreans.

They react then in 1978 and 1979 the North Koreans persuaded China to drop economic overtures toward South Korea. There are no diplomatic relations between South Korea and China.

The new interchange, however, is growing so rapidly that it is becoming almost impossible to hide. Even the United States has felt its impact.

U.S. grain sales to South Korea declined by 21.4 percent in 1984 to \$761.3 million, partly because of a sharp increase in Korean purchases from "others," as trade statistics

put it. This figure rose to \$108.9 million, almost seven times what it had been. The "others" are largely China.

The U.S. Department of Agriculture, in an issue of its magazine Foreign Agricultural Trade of the United States, reported that China sold 462,000 tons of corn to South Korea last year and is expected to export 900,000 tons this year, meeting 26 percent of South Korea's demand.

A U.S. expert, who asked not to be identified, said Chinese sales of agricultural goods to South Korea, including cotton as well as grains, exceeded \$300 million last year. Growing imports from China, he said, threaten to erode the United States' agricultural market in South Korea.

"We all hoped that China would break out of its collective economy, and it has," the U.S. expert said with irony.

Overall trade between Seoul and Beijing is also growing. In the midst of a 3.5-percent decline in exports that South Korea recorded in the first seven months this year, an increase of 13.1 percent in exports to Hong Kong stands out sharply.

Last year, exports to Hong Kong were up by 57 percent, "reflecting indirect sales to China," U.S. officials said. Hong Kong suddenly became South Korea's third-best export market, after the United States and Japan, with sales rising to \$1.28 billion in 1984 from \$817.7 million in 1983.

South Korean imports from Hong Kong also more than doubled last year, to \$468 million.

Hong Kong trade figures for the first half of this year show that South Korean exports that passed through the British territory to China amounted to \$221 million, or 4.2 times the figure for the corresponding period last year. And South Korean businessmen say privately that some merchandise is being shipped directly, to places like Hainan island, a part of Guangdong province, without passing through Hong Kong.

The contacts that China has had with Kia Motors point to an even broader economic interchange.

"No matter how aggressive the Chinese government may be in its attempts to modernize China, considering the time that will be necessary to industrialize the whole country, our level of industrialization may be more appropriate for China," Mr. Lee said.

Currency Rates

Cross Rates	Oct. 4
American dollar	100.00
British pound	166.35
French franc	6.55
German mark	3.36
Italian lira	2036.27
Japanese yen	163.64
Netherlands guilder	3.60
Swiss franc	7.20
West German mark	3.36
Yen	163.64

Closest in London and Zurich, Reuters in other European centers. New York rates at 4 P.M. (a) Commercial rates; (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 N.G.: not quoted; N.A.: not available. (g) 70 per cent discount; (h) 50 per cent.

Other Dollar Values

Currency	Oct. 4
Australian dollar	1.48
Canadian dollar	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00
East German mark	1.00

Sources: Reuters, Bank of America (London); Banca Commerciale Italiana (Milan); Banque Paribas (Paris); Bank of Tokyo (Tokyo); IMF (Washington); BAI (Tokyo); Reuters. Other data from Reuters and A.P.

Interest Rates

Rate	Oct. 4
1-month	7.50%
3-month	7.50%
6-month	7.50%
9-month	7.50%
1-year	7.50%

Sources: Morgan Guaranty, D.M. & P., Federal Reserve Bank (F.R.B.), Reuters (S.D.R.). Rates applicable to interbank deposits of 31 minimum (for equivalent).

Asian Dollar Deposits

Rate	Oct. 4
1-month	7.50%
3-month	7.50%
6-month	7.50%
9-month	7.50%
1-year	7.50%

Sources: Reuters.

U.S. Money Market Funds

Rate	Oct. 4
1-month	7.50%
3-month	7.50%
6-month	7.50%
9-month	7.50%
1-year	7.50%

Sources: Reuters.

Gold

Rate	Oct. 4
1-ounce	375.00
10-ounce	3750.00
100-ounce	37500.00
1-ton	375000.00

Sources: Reuters.

Brazil Said to Consider Tight Limits  
On Hard-Currency, Interest Payments

Reuters

**N**EW YORK — Brazil has prepared a radical plan to deal with its foreign debt of \$103 billion, which is to be submitted to its Congress shortly, according to the latest edition of Business International's weekly Money Report.

Quoting Brazilian government sources, the report Thursday said the plan included a freeze on hard-currency payments abroad when foreign-exchange reserves fall below \$10 billion and a 12-percent cap on interest payments on foreign loans. Foreign-exchange reserves are currently between \$8 billion and \$8.5 billion.

In Brazil, government officials declined to comment on the report. Most U.S. bankers doubted that Brazil would present the plan as a formal proposal to its international creditors, adding that it was probably one of the Brazilian planning ministry's proposals for dealing with the debt.

"Everything is going their way at the moment," one banker said. "Why stir up the hornet's nest for no apparent reason?"

However, bankers noted that Brazil has clearly indicated that it will be seeking a loose economic monitoring program with the International Monetary Fund.

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# Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

25 High Low Stock Div. Yld. PE 100 High Low Stock Div. Yld. PE

(Continued from Page 12)

25	High	Low	Stock	Div.	Yld.	PE	100	High	Low	Stock	Div.	Yld.	PE
1	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
2	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
3	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
4	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
5	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
6	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
7	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
8	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
9	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
10	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
11	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
12	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
13	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
14	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
15	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
16	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
17	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
18	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
19	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
20	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
21	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
22	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
23	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
24	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
25	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15

25	High	Low	Stock	Div.	Yld.	PE	100	High	Low	Stock	Div.	Yld.	PE
1	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
2	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
3	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
4	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
5	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
6	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
7	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
8	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
9	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
10	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
11	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
12	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
13	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
14	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
15	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
16	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
17	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
18	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
19	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
20	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
21	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
22	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
23	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
24	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
25	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15

25	High	Low	Stock	Div.	Yld.	PE	100	High	Low	Stock	Div.	Yld.	PE
1	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
2	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
3	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
4	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
5	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
6	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
7	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
8	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
9	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
10	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
11	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
12	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
13	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
14	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
15	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
16	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
17	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
18	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
19	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
20	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
21	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
22	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
23	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
24	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15
25	100	99	IBM	3.20	3.1	15	100	100	99	IBM	3.20	3.1	15

## Coffee-Drinking in U.S. Shows Decline in Survey

LONDON — Promoters of coffee said Friday that Americans are drinking less of it, and prefer soft drinks.

The report by the London-based International Coffee Organization said all age groups in the United States drink less coffee now, but the decline is sharpest in the 20-29 group, based on figures collected in the winter of 1984-85.

Ten, soft drinks and fruit juices have gained from coffee's decline, and 30.9 percent of Americans now prefer tea compared with 24.7 percent in 1962.

For soft drinks the rise was from 32.6 percent in 1962 to 59.4 percent.

Americans who drink coffee consume 3.33 cups a day, compared with 4.17 cups in 1962. Per capita, that amounts to 1.83 cups daily against 3.12, the organization said.

The organization began keeping records in 1950.

# U.S. Futures

Season High Low Stock Div. Yld. PE 100 High Low Stock Div. Yld. PE

Grains

WHEAT (CBT)

Corn (CBT)

Soybean Meal (CBT)

Soybean Oil (CBT)

Oats (CBT)

Rye (CBT)

Barley (CBT)

Sorghum (CBT)

Millet (CBT)

Buckwheat (CBT)

Tritic (CBT)

Speltz (CBT)

Amaranth (CBT)

Quinoa (CBT)

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Speltz (CBT)

Amaranth (CBT)

Quinoa (CBT)

# U.S. Futures

Season High Low Stock Div. Yld. PE 100 High Low Stock Div. Yld. PE



## BUSINESS ROUNDUP

## Fiat-Ford Merger Talks Hit Obstacles

**TURIN** — Talks on a merger between Italy's Fiat Auto SpA and Ford Motor Co.'s European subsidiary have run into trouble, a Fiat spokesman said Friday.

The spokesman said the two companies had encountered major difficulties in agreeing on a formula for pooling their car manufacturing facilities into a joint company.

Fiat's division and Ford's European subsidiary have been engaged in negotiations for more than a year. If successful, the talks could lead to the creation of an industrial giant that would have a 25-percent share of the European car market.

The spokesman, who said talks were continuing between the two groups, said: "It's true that the negotiations are in difficulty, but we knew from the start that there were going to be obstacles."

He said the problems had arisen over control and responsibility in

case of a merger of car-making operations.

"Everything is still possible although it remains to be seen whether we will finally agree on a full-scale merger or on a deal which is more limited," the spokesman said.

The difficulties were acknowledged less than a month after Fiat had predicted an agreement. Umberto Agnelli, chairman of Fiat Auto, the car division of the Turin-based group, said Sept. 12 in Frankfurt: "There is going to be a definite agreement on some kind of deal between Fiat and Ford of Europe."

Mr. Agnelli also said he expected a statement to be issued by the end of this year.

Fiat, which has started to generate large profits after investing heavily in labor-saving technology, had a 13.4-percent share of the European car market in the first six

months of 1985, ahead of Ford with around 12 percent.

Analysts have said that a merger between Fiat and Ford would shake the European car industry, and could drive some of the less competitive car makers out of business. Overcapacity in the industry is running at more than two million units a year.

Gianni Agnelli, Umberto Agnelli's older brother and chairman of the Fiat group, has repeatedly said that concentration in the European industry is inevitable. He has forecast that there will be only four or five groups left on the continent in 10 years.

With or without an agreement with Ford, Fiat is pressing ahead with its modernization program, and has earmarked the equivalent of \$2.2 billion for investment in its cars division over the next three years.

## Nippon Kokan Plans to Take Over Silicon Plant in Arizona From GE

United Press International

**TOKYO** — Nippon Kokan K.K., the Japanese steel and shipbuilding concern, said Friday that it had agreed in principle to take over a silicon-producing facility of General Electric Co. in Chandler, Arizona. Terms were not disclosed.

The transaction involves Nippon Kokan's acquisition of Great Western Silicon plant, a component of GE's Silicone Products Division.

The takeover is part of Nippon Kokan's effort to diversify its business and enter the electronics materials market, it said.

Nippon Kokan will establish a wholly owned subsidiary to operate the plant, which has an annual production capacity of 200 metric tons of polycrystalline silicon.

The new company will take over employees, facilities and other assets of the existing plant, Nippon Kokan said.

Nippon Kokan said it and GE were aiming to reach final agreement this year on the proposed acquisition.

## Accountants Say Hutton Was Warned on Overdrafts

By Josh Getlin

**WASHINGTON** — Members of the accounting firm of Arthur Andersen & Co. warned executives of E.F. Hutton & Co. in 1984 that Hutton was making questionable bank overdrafts, but said they dropped the matter after brokerage officials assured them the practice was legal.

During testimony Thursday before the U.S. House Judiciary subcommittee on crime, members of the accounting firm said they had presented Hutton executives in March 1980 with evidence that the company had been writing millions of dollars worth of checks on insufficient bank funds.

Members of the subcommittee praised Andersen officials for having raised the issue. But some criticized the firm for failing to pursue the matter with outside authorities.

I find it beyond belief that any accounting firm that saw all the money floating around would not have known that there was something wrong," said Representative Romano L. Mazzoli, a Democrat of Kentucky.

The testimony by Philip Peller, a partner in Arthur Andersen, and other officials of the firm raised questions about the statements of E.F. Hutton officials. Earlier, Hutton executives had told the subcommittee that they had had no knowledge that their company was engaged in illegal bank overdrafts.

Company officials said they knew that Hutton had engaged in overdrafting, but added that they had not done so as part of a systematic money-making scheme, which is illegal.

Under questioning by the subcommittee chairman, Robert J.

Hughes, Democrat of New Jersey, Joel E. Miller, an Arthur Andersen auditor who participated in the 1980 meeting, said Thursday that high-ranking Hutton executives knew about the pattern of overdrafts he had discovered.

Hutton executives were in the "same room as I was," Mr. Miller said. "They heard the same things that we said."

Last May, Hutton pleaded guilty to 2,000 counts of mail and wire fraud involving overdrafts between July 1980 and February 1982 at many of the 400 banks where it had accounts. The practice allowed the company to have the interest-free use of millions of dollars on certain days.

The U.S. government did not prosecute any Hutton executives. The company's own investigation recommended the punishment of 15 executives but exonerated Robert M. Fomon, Hutton's chairman, and George L. Ball, company president at the time of the overdrafting.

Mr. Peller of Arthur Andersen recalled that, during his 1980 meeting with Hutton officials, Thomas W. Rae, Hutton's general counsel, had said his company's overdrafts were legal. Mr. Rae had explained that the major factor permitting Hutton to engage in such transactions legally was that the company had enough assets to cover its checks, Mr. Peller said.

Mr. Hughes reminded the accountants that they later turned up "mind-boggling" examples of Hutton's overdrafts — such as checks written for \$9.7 million on bank accounts that held less than \$3,500, according to company documents provided to the committee.

## Hunts Lose \$1 Billion on Silver Sales

Family Sells 90% of Holdings; Metal's Price Rises Sharply

Compiled by Our Staff From Dispatches

**DALLAS** — The Hunts of Texas, who lost an estimated \$1 billion after apparently trying to corner the silver market in the late 1970s, have quietly sold 90 percent of their silver holdings, at a further loss of an estimated \$1 billion.

The news drove spot silver prices to their highest levels in five months Friday in Zurich and London. On Thursday, prices reached a seven-month high at the New York Commodities Exchange.

Silver traded in Zurich Friday at \$6.39 an ounce, up nine cents from Thursday's finish and 34 cents from its price 24 hours earlier. In London, it rose to a five-month high of \$6.515 before retreating to \$6.39.

At the Comex Friday, spot prices rose briefly to \$6.53, then slipped to \$6.412 in afternoon trading. On Thursday, prices had risen 3 1/2 cents to \$6.385 an ounce, the biggest one-day rise since March.

Announcing the sale Thursday, Tom Whitaker, a spokesman for the Hunt family, said the Hunts had sold 90 percent of the 59 million ounces (1.652 billion grams) of silver they had accumulated in the late 1970s. The sale, representing 90 percent of the Hunts' holdings,



Nelson Bunker Hunt

had helped to "pay off debts and fund ongoing enterprises," he said.

Mr. Whitaker said the sales had taken place over the past nine months, in "an orderly fashion through regular market channels."

Because of the steady, sharp drop in silver over that period, the Hunts lost an estimated \$1 billion.

For months, investors had worried that attempts by the Hunts to divest their silver holdings might

cause the price of the metal to drop.

In Europe, traders said that uncertainty over when the Hunts might sell their holdings had depressed bullion prices, which should have benefited from the decline in the value of the U.S. dollar. Bullion prices usually rally when the dollar falls.

In the late 1970s, the Hunt brothers, Nelson Bunker, W. Herbert and Lamar, began one of the most disastrous speculation episodes in U.S. history when they started accumulating their silver holdings, once valued at \$10 billion.

During that period, silver prices climbed from below \$10 an ounce to a peak of \$48 in January 1980.

But by the following March, the price of silver had fallen to less than \$11, leaving the Hunts with about \$1 billion in losses from speculation on silver futures contracts.

Because of the decline, the Hunts were unable to meet their commitments on silver futures. The Federal Reserve Board arranged bank loans for the Hunts to prevent a default that could have threatened the U.S. financial system.

Under the arrangement with the Fed, the Hunts were required to dispose of their silver by 1990.

## Lottery Plan Set On Henkel Stock

Reuters

**FRANKFURT** — Shares in Henkel KGaA, the West German chemicals group, will be allocated in a lottery next week, because the subscription offer closed heavily oversubscribed soon after it began, Deutsche Bank AG said Friday.

Official listing on all eight West German bourses is not due to start until next Friday. Traders said that nonvoting preference shares could be offered at 330 to 350 Deutsche marks (\$125 to \$132) each.

On offer are 1.5 million shares in an open-ended subscription at 285 DM.

## Time, 2 Others Seen Joining In Bid for Group W Cable

New York Times Service

**NEW YORK** — Three of the largest U.S. cable operators — Time Inc., Tele-Communications Inc. and Comcast Corp. — are expected to form a group to bid jointly for Group W Cable Inc., according to sources close to those companies.

The three have made tentative plans on how they would divide up Group W's 2 million subscribers, and they plan to sell off a number of cable systems if they get control of the company from Westinghouse Electric Corp., the sources said.

According to one executive among the potential bidding group,

Westinghouse's investment bankers, which include Shearson, Lehman Brothers and First Boston Corp., will first choose a handful of bidders from the initial proposals. Then, those chosen will be given additional information on the cable systems, which each company can use to make its final bid.

Westinghouse announced in August that it would buy back up to 14 percent of its stock and sell its cable television business in a corporate restructuring.

The cable operation is believed to have a cash flow of some \$200 million in the neighborhood of \$200 million.

## COMPANY NOTES

**Control Data Corp.** ordered its U.S. employees to take four days off without pay in the next two months, affecting about 40,000 employees. The company announced that it would lay off 1,500 workers from its Magnetic Peripherals subsidiary. Predictions of Control Data's losses for 1985 range from \$40 million to \$65 million.

**Drescher Bank AG** will list its shares on the Tokyo Stock Exchange this month, subject to approval by the Japanese Finance Ministry, the exchange said. A total of 750,000 shares will be sold Oct. 14 and 15 in Japan for payment Oct. 23.

**Holladay Inns Inc.** said it may not be able to sustain its annual growth rate of 12 percent to 15 percent. It said that with a lower annual inflation rate, it also was revising its goal for growth in earnings per share to between 2 and 2 1/2 times the inflation rate.

**Izumi Motors Ltd.** and C. Itoh & Co. will invest in Anadolu Automotive Sanayi ve Ticaret AS, a Turkish maker of trucks, an Izumi spokesman said. He said Izumi would buy a 15-percent share and C. Itoh 5 percent.

**Mitsubishi Rayon Co.** said it and Du Pont Co. had signed a basic agreement to set up a joint venture next year in Japan to produce and sell worldwide Du Pont's Corian, a material used in kitchens and bathrooms. Du Pont-MRC Co. will build a plant with annual production capacity of 200 million pounds (90.9 million kilograms).

**Morgan Grenfell & Co.** said it had bought 140,000 shares in United Newspapers PLC at 297.25 pence (\$424) each on Thursday. The Morgan statement was prompted by British disclosure rules covering share trading in a takeover situation. Morgan is advising United in its hostile bid for Fleet Holdings PLC.

**NGK Baudouin SA**, a wholly owned Belgian subsidiary of NGK Insulators Ltd., and Societe Royale d'Investissement de Belgique will set up a joint venture in December to make ceramic catalytic honeycombs used to purify automobile exhaust, NGK said.

**Signal Cos.** said its UOP Inc. unit was awarded a contract by China Petro-Chemical International Co. to expand a chemical complex at Nanjing, China. Signal said the capacity of the complex, which makes linear alkylbenzene, the main ingredient in biodegradable detergents, will be expanded to 72,000 tons a year from 50,000.

**Wang Laboratories Inc.** said it had reached agreement in principle to purchase Walsh Greenwood Information Systems Inc., a privately held financial services computer company. Terms of the proposed acquisition were not disclosed.

**Walsh Greenwood** offers financial and market data services known as "Shark."

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## Long Road For Harley

(Continued from Page 13)

market. It has cut costs and once again is in the black, after heavy losses in 1981 and 1982.

Vaughn L. Beals, Harley's chairman, acknowledged frustration that profits had not shown more improvement. But he insisted that it will take time to get rewards from many of the changes the company has made, such as bolstering quality.

"While 1986 will be 'another grunt-and-growl year,' he said, 1987 will mark a return to substantial profits. Harley, now a private company, did not supply profit figures and estimates.

Harley's story began in Milwaukee in 1903, when the company was founded by one man called Harley and three called Davidson. It outpaced its rivals in the United States, the last of whom, Indian, closed shop in 1953. After that, Harley competed with European bikes, machines like Triumph, Norton and Royal Enfield.

"The company went public in 1965 and ruled supreme at the top end of the market, with enormous bikes such as those portrayed in movies such as 'The Wild One' and 'Easy Rider.'

Growth was explosive in the 1970s, and in 1979 Harley produced more than 50,000 bikes, a record. Most Harleys have capacities of more than 1,000 cubic centimeters (61 cubic inches) and today cost from \$6,000 to \$11,000.

Meanwhile, Japanese motorcycles came into their own and pushed into the upper end of the market. While Honda, the world's leading motorcycle maker, and Kawasaki were building bigger and bigger motorcycles and exporting more and more to the United States, Harley was floundering and building a reputation as a producer of unreliable, expensive, oil-leaking bikes.

"Quality went to hell, and labor relations went to pot," Mr. Beals said in a recent visit to New York. To top off the problems, the recession of 1981 and 1982 cut sharply into demand and produced the first losses for the company since the Depression.

Just as Harley seemed to be falling apart in early 1981, a group of 13 officers, led by Mr. Beals, purchased the company and took it private. They studied Japanese management methods and over the years applied many of them.

For example, they set up a variation of the just-in-time inventory system that is widely practiced by Japanese companies. Instead of producing a large batch of a component at once, Harley produces components as they are needed.

"It used to take 72 days to make a frame; I expect it takes two days now," Mr. Beals said.

The cut in inventory freed \$22 million at the plant in York, Pennsylvania, alone and sharply reduced lead times.

Labor relations softened, in part because of management efforts to maintain an open-door policy and discuss employee complaints. Absenteeism dropped sharply.

The company says that, as a result of these changes, 99 percent of motorcycles coming off the line at the York plant are free of defects, compared with 50 percent five years ago. Costs of fixing motorcycles on warranty have also plummeted, they say.

"For all these changes, a key uncertainty is whether the overall market will expand. Harley says that demographics are ideal: The U.S. population curve bulges in the 25- to 45-year-old bracket. Harley's bread and butter.

## OPEC Aides Admit Inability To Regulate Prices, Output

(Continued from Page 13)

the economist, "and earlier if we have a mild winter."

While OPEC again has proven itself unable to abolish market forces, the 25-year-old organization continues to function as a sort of trade association, providing a forum for exchanging ideas and appealing for restraint in the market.

Asked whether OPEC members were now just free-market operators like other oil producers, Sabroto said: "What is so bad about that? We have to be realistic. There are changes in the market."

But prices fell sharply on the spot, or non-contract, market on Friday, and many traders and analysts expect further declines.

Though refiners' inventories are low, worldwide supplies of crude oil remain plentiful. At the same time, demand in the non-Communist countries is down about 1.7 percent from a year earlier. Because economic growth is slowing, many analysts expect that oil demand will continue to fall or stagnate, renewing downward pressure on prices.

"The danger will come no later than next spring," said Mr. Gault.

## RCA Announces Restructuring

New York Times Service

**NEW YORK** — RCA Corp. has announced that it would restructure some of its electronics and communications businesses and take a charge of \$140 million before taxes, or \$81 million after taxes, against its third-quarter earnings.

The company said that, including an after-tax gain of \$92.6 million from the sale of Hertz Corp., net income was expected to be higher than in the quarter last year, when it reported earnings of \$78 million, or 74 cents a share.

The company said it would phase out and restructure some product lines in its broadcast systems division. In addition, the company said it planned to close its West Palm Beach, Florida, semiconductor plant in 1986.

## President of UPI Quits to Assist In Agency's Sale

Washington Post Service

**WASHINGTON** — Ray Wechsler, the president and chief operating officer of United Press International, has resigned to work with the creditors committee that is trying to sell the news organization.

Mr. Wechsler's resignation came Thursday amid rumors of disagreement between him and UPI Chairman Luis Nogueles over strategies for selling the company.

A company spokesman said, however, that Mr. Wechsler's move simply is a business decision made to facilitate disposition of the company, which is operating under protection from creditors under the bankruptcy laws. The spokesman said UPI was expected to receive final buyer proposals Friday.

Mr. Wechsler, who had served as UPI president and chief operating officer since March 27, will continue receiving his annual \$142,500 salary from the company.

The spokesman acknowledged that the arrangement is unusual, inasmuch as creditors in bankruptcy and corporate reorganization proceedings generally are construed to be on the opposite side of the fence from debtors.

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the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion. The number of people aged 65 and over is expected to increase from 200 million to 400 million. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion. The number of people aged 15 and over is expected to increase from 3.5 billion to 4.5 billion.

Friday's  
**OTC**  
Prices

**Abstract**



## CURRENCY MARKETS

## Dollar Closes Mixed Ahead of Seoul Meeting

Compiled by Our Staff From Dispatches  
NEW YORK — The dollar closed mixed in New York on Friday as operators squared up positions ahead of the weekend meeting in Seoul of monetary officials of five leading industrial nations, dealers said.

When the Group of Five meets Saturday in Seoul, South Korea, they are expected to review the dollar's slide since their initial agreement.

The dollar ended at 2.6210 Deutsche marks, up from 2.6200 Thursday. It rose to 2.1500 Swiss francs from 2.1420 and to \$1.4190 against the British pound from \$1.4260 on Thursday. But the dollar was down against the yen, at 212.20 from 212.45, and against the French franc, ending at 8.010 from 8.010.

Dealers said there was continued market feeling that the central banks of the five nations — United States, Britain, France, West Germany and Japan — were still not content with the dollar's level, but there were no signs of intervention Friday.

Lower levels are expected next week. Uncertainty over the outcome of the meeting in Seoul next week of the International Monetary Fund and World Bank was injecting some caution.

The five nations on Sept. 22 launched a joint effort to push the dollar lower. In Seoul, they are expected to review the dollar's subsequent decline in the markets, and to discuss whether further steps should be taken.

The basic tone of the market is still for a lower dollar, said a dealer in Frankfurt. "But the dollar has fallen steadily since the meeting Sept. 22 and a technical move upward can't be ruled out."

In earlier trading in Europe, the dollar ended in London at 2.6350 DM, up from Thursday's close of 2.6225. Last Friday, the dollar closed at 2.6225 DM in London.

The British pound fell to \$1.4140 from an opening \$1.4295 and Thursday's closing \$1.4255.

Earlier Friday, the dollar fell to a 4 1/2-year low against the yen in Tokyo, to its lowest level against the mark in Frankfurt since April 1984, and, in Zurich and Paris, to its

lowest levels against the Swiss and French francs since March 1984.

Dealers in London said the pound came under pressure when oil prices slumped on the European spot market as OPEC ministers ended their meeting in Vienna in disarray over production quotas and pricing.

The dollar began its trading day in Tokyo by falling to 211.90 Japanese yen, its lowest level since the spring of 1981.

In London, the dollar ended firmer against the yen, at 213.20 after an opening 211.75. Thursday's close was 212.55.

Against the Swiss franc it closed at 2.1875 after an opening 2.1255 and Thursday's closing 2.1435, and it ended at 8.040 French francs after an opening 7.950 and Thursday's closing 8.015.

At midday on Friday, the dollar was fixed at 2.608 DM in Frankfurt, down from 2.6459 DM late Thursday, and at 7.957 French francs in Paris, down from 8.0735.

The dollar closed Friday at 2.1480 Swiss francs in Zurich, up from 2.1445 Thursday. (Reuters, AP)

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The dollar closed Friday at 2.1480 Swiss francs in Zurich, up from 2.1445 Thursday. (Reuters, AP)

## U.K. New Car Sales Ahead of '83 Record

United Press International

LONDON — New-car sales in Britain in September totalled 143,165, the Society of Motor Manufacturers and Traders said Friday. It said that sales for the year to date were 2.66 percent ahead of the 1,464,052 registered during the first nine months of 1983, the record year.

The import share of the market was 56.9 percent, compared with 59.15 percent the year before, while the Japanese share was 14.83 percent compared with 11.99 percent a year earlier.

## Success Tale In Shenzhen

(Continued from Page 13)

Kunming in Hunan province, where he was a flight leader in the 3d Pursuit Squadron.

When he got back to Kunming, he was astonished to find the walled city gone, replaced by one with wide avenues, rows of trees, modern hotels and a population that had tripled.

Asked why he thought the Chinese had invited him, he said: "I don't think they want anything out of me directly. The primary reason is they want to build better relations with the United States and the state of Oregon."

He said they were interested in buying logs, and Oregon had plenty to sell. "They'd rather have the logs than our finished lumber," he added. "It's the difference in price."

"I'm a believer in free trade," Mr. Jernstedt said. "I like Reagan's attitude. The world is going through a kind of leveling, and this Chinese economy is not going to grow completely unless they have outlets for their goods."

Spanish Car Output Grows

Reuters

MADRID — Car production in Spain rose 5.6 percent to 641,535 vehicles in the first half of 1985, according to figures published Friday.

Spanish car production in the first half of 1985 was 641,535 vehicles, up from 607,000 in the same period last year.

The increase was due to a rise in exports, which grew by 10.5 percent to 300,000 vehicles, and a fall in imports, which fell by 1.5 percent to 100,000 vehicles.

The main reason for the increase in exports was a rise in sales to the United States, which grew by 15.5 percent to 100,000 vehicles.

The increase in sales to the United States was due to a rise in exports of cars, which grew by 15.5 percent to 100,000 vehicles.

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## BUSINESS PROFILE / Sir John Clark of Plessey Co.

## Some Londoners Wonder if His Drive Has Abated

By Sherry Buchanan

International Herald Tribune

LONDON — Sir John Clark, chairman of Plessey Co. PLC, keeps a low profile, and maybe that is why there is some speculation about his control of the large British telecommunications concern.

"The company has suffered from being a family-dominated business," says one London broker.

"John Clark provided the driving force in the early days. In the City, some people wonder to what extent he is still doing that."

The broker was referring to Plessey's lower profits in 1984 and to a lower 1985 first quarter. The company's first-quarter profits fell to \$39.2 million (\$55.9 million), from \$42 million in the first quarter of 1984.

Sir John rarely gives interviews, but in person he comes across with a sense of irony and more than a touch of cynicism. He gives the impression of having seen it all but only liking some of it.

Plessey is still a family-run business, Sir John is chairman and chief executive. He holds 1,038,990 shares, and is the largest stockholder among the company's directors.

His brother, Michael Clark, is deputy chairman and has 327,000 shares.

Sir John retains a healthy sense of humor about himself and his kin.

"None of the Clark men have ever been brilliant. What we got is through application and bloody hard work," he says. "On my Harrow school report, it said 'talkative and ineffectual.'"

In spite of that report, Sir John went on to Cambridge University.

And despite the fact that his father, Alan Clark, started the company, Sir John was not painlessly parachuted in at the top. He joined it in 1949 as an assistant to the general manager and worked his way up.

As he tells it, he paid his dues all along the line.

After serving in a relatively quiet berth in the Royal Navy Volunteer Reserve, he went to work for Ford Motor Co. in Manchester, "getting up at 4:45 A.M. to start work at 6:15."

"I discovered what it was like on the shop floor," he recalls. "I shared a room in digs where I only had a blanket and it was cold."

He says, "Management is dealing with

unheated room did not come equipped with a bathroom either.

At 60, he keeps fit. "I'm on a permanent diet. I'm only having eggs tonight," he says. "My tennis teacher tells me there is no reason at 60 I shouldn't be fitter than at 24."

Sir John has three children by his second wife Lady Olivia Ann Clark and two children by his previous marriage.

Despite a reputation of abrasiveness, his view of management may vary from that of many so-called tough chief executives.

"Management has to understand people and to understand people you have to understand life. You've got to care," he says.

Nor does he thrive on conflict. "No one is a natural manager. Leadership is not to lead 99 men, but the one hundred man."

He says, "Management is dealing with

unpleasantness; you have to be a person prepared to deal with problems. Nobody likes that."

In fact, he considers himself to be too soft. "I'm too tolerant. I'm always prepared to forgive because I think I understand the other person's point of view," he says. "Tolerance injects delay. I'm getting less tolerant; I perceive my own failings. Tolerance is like putting off a divorce you know is inevitable."

Bankers and brokers in London credit him with having switched from an analog to a digital telephone system in the mid-1970s and with having gotten rid of several of Plessey's unprofitable businesses.

Plessey now has three core businesses:

• Telecommunications, which includes the British public telephone network, System X.

• Electronic defense systems,

which include Prammigan, the battlefield communication system for the British Army of the Rhine.

• Engineering and components, which include semiconductors.

He now faces the challenge of transforming Plessey into a truly international telecommunications company with a strong U.S. presence, and success in the American telecommunications market is a goal that still eludes him.

Plessey's U.S. subsidiary, Stromberg-Carlson Inc., which manufactures digital switching equipment for the U.S. telephone network, has failed to become a market force in the U.S. Plessey's telecommunications profits for the first quarter were down by £1.9 million because of Stromberg-Carlson losses.

Sir John hopes that by restructuring and paring down the subsidiary, it will break even in two years.

Playing in the league with American Telephone & Telegraph Co. and Northern Telecom Inc. doesn't seem to worry him.

"Especially on the service and delivery times, the big boys suffer from the arrogance of size," he says.

Plessey is also bidding against the French group, Thomson CSF, to sell the U.S. Army a radar system. Recently the French government protested against Prime Minister Margaret Thatcher's alleged interference in favor of Plessey.

The Geneva arms talks coming up, the U.S. government is unlikely to award a contract in order to preserve harmony among its allies.

Sir John is proud of his own American heritage. "I'm half American. There is only one other son of the revolution who was knighted and that was Winston Churchill," he says.

Sir John's grandfather was a weaver in the United States. His father came to Britain as a vice president with United Shoe Machinery Corp. "To clean up the shoe business in Europe," and built Plessey on U.S.-product licenses.

Sir John believes he has lived up to the challenge of his father's legacy.

"You know what my father told me four days before he died? He said: 'Boy, you'll find it's lonely at the top.' God, was he right."

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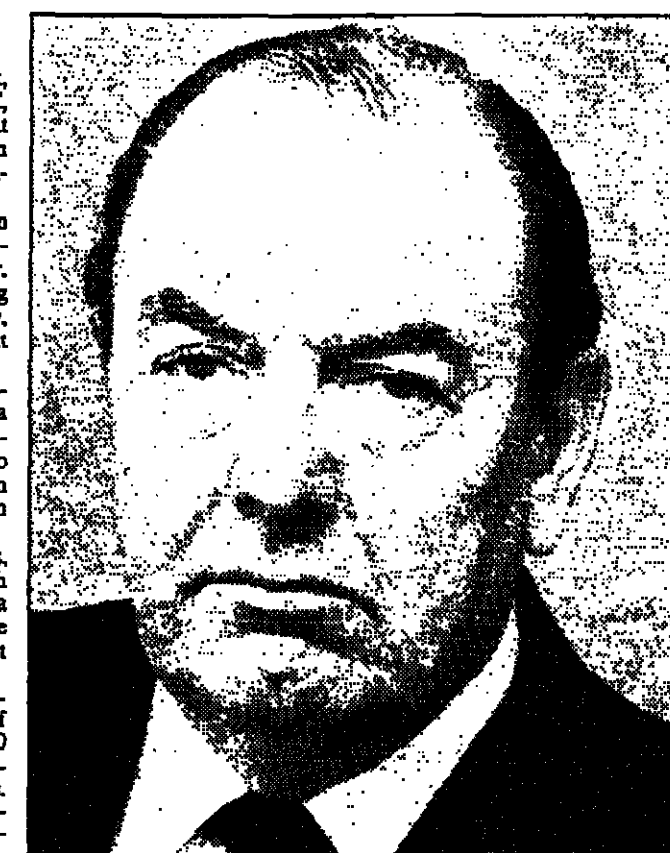
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**ACROSS**

94 Summertime  
in N.Y.C.

95 Frances H.  
Burnett  
heroine

96 Expanse  
97 "Ode on —  
Urn"

98 Sorinices

100 Best follower

102 "Critique of  
Pure Reason"  
writer

103 Ode of the  
Jackson 5

105 "— autumn  
turned to —"  
Shak.

108 Bone: Comb.  
form

110 Dr. Seuss's "I  
Can Lick So  
— other  
Stories"

113 Exercises

117 Passivity

118 What Pearl  
White did in  
films

119 Of Willie  
Morris's roles

120 Desires

121 They do  
seeding

122 Bundle of  
energy

**DOWN**  
 38 Pl follower  
 40 Agt.'s cut  
 41 A word to —  
 43 With no exceptions  
 44 Weak  
 45 Thomas Bee,  
     "The Mauve  
     —"  
 47 Singer Janis  
 49 Dr. Seuss's  
     "—My  
     Pocket"  
 52 Dr. Seuss's "  
     I — The  
     Circus"  
 55 Rodomontad  
 56 Leftover scr  
 58 Piquant  
 61 Lang. at a  
     yeshiva

**RYAN A. SANTORA**



**DOWN**  
**107** — St. Lawrence (home of G.B.S.)  
**109** In order  
**110** Charo's aunt  
**111** Command to Fido  
**112** Canine examiner's deg.  
**114** Western lizard  
**115** A dog, for short  
**116** B'way sign

By Michiko Kakutani

**I**N "The Kingdom of the Wicked," his latest novel, Anthony Burgess takes up one of his favorite themes—freedom to choose between good and evil, a theme he has examined at length in such works as "A Clockwork Orange," "The Clockwork Testament; or, Enderby's End" and "Earthly Powers." This time he has chosen a monumental canvas for his study. He proposes to contrast divine grace and earthly decadence, holiness and sin, through the story of early Christianity's rise during the Roman Empire. His narrative starts with the crucifixion, weaves its way through the reigns of various corrupt emperors and ends with the eruption of Mount Vesuvius that destroyed Pompeii.

The problem is not so much that the subject is so large. Burgess's hands have encompassed most of 20th-century history in "Earthly Powers"—it is more that he does not have any point of view or anything particularly illuminating to say about this ancient story. The book apparently grew out of research Burgess did for a television series called

"A.D." and it reads like a mechanistic exercise in utilizing stored-up information. Heavily indebted to the Acts of the Apostles and works by Suetonius and Tacitus, it employs all the tired devices of the historical novel to try to give the reader a sense of verisimilitude. Minor characters uncannily show up at pivotal moments in history, famous people do what they're famous for with varying degrees of élan, and connections between all their stories are established with awkward transitions.

We're given blow-by-blow accounts of arguments among Christ's disciples. We're told about Tiberius's pet snake and Agrippina's owl, and we're treated to bits of local color. He passed through one of the lesser markets, where mimosa was on sale and crocuses in small tubs, and lowly housewives did their own shopping for carcasses of young lamb, wine-red joints of beef, little birds, palm grapes and fat pourceaus." Such descriptions frequently have a perfunctory air about them, as though Burgess felt obligated to shoehorn them into the narrative occasionally. He is equally heavy-handed when it comes to inserting bits of history intended to show off his knowledge of linguistics and the classics.

The narrative and dialogue are strewn with phrases of Hebrew, Greek and Latin — as well as word-games involving these languages — and the characters, who are given to carrying on lengthy philosophical debates, all seem to share Burgess' obsessions with eschatology and theology.

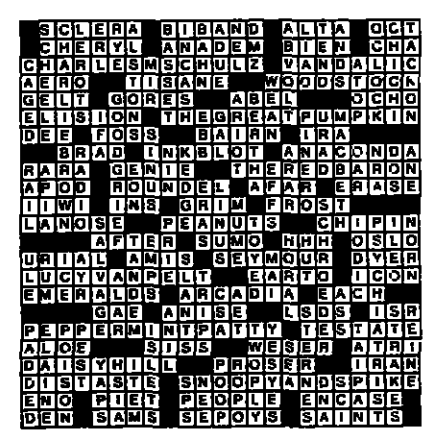
The casual irreverence with which Burgess treats the story of Christ and his apostles makes for some faintly amusing moments — a sidewalk observer who sees a beggar cured of his lameness by Peter says he always knew the panhandler was a cheat — but his penchant for low comedy is neither sustained nor developed to serve any specific end. The author seems content to simply retell a lot of familiar anecdotes selected to reflect his interests in such matters as progress, the cyclical nature of history, homosexuality and incest, and occasionally pausing to embellish them with his patented verbal pyrotechnics.

No doubt Burgess could argue that he is not responsible for the dull, clotted narrative of "The Kingdom of the Wicked," that whatever infelicities the reader discerns spring from the pen of the narrator — an unreliable fellow by the name of Sadoc, a former shipping clerk given to headaches and drunkenness and assorted physical infirmities. "My Greek," Sadoc writes, "is not the tongue of Homer or Aeschylus but a sloppy ungrammatical sabine-sounding Attic salt and tending to a saccharinity which sets my teeth on edge. This property is not uttered by the writer but in the language. . . . Whoever translates this, if it is ever to be translated, may be rendering me into the barks of the Goths or the cooings of the Celts, by grace of the alphabet of Rome."

Although Sadoc surfaces periodically in "Kingdom of the Wicked" he essentially functions as a cold-fashioned omniscient narrator, invisible and all-knowing. Unlike Toomey, the narrator of "Earthly Powers," he does not shape the narrative through the power of his voice or his personality. And unlike the narrator of Robert Graves's "I, Claudius" — which covered much of the ground dealt with here — he does not play a significant role in the events he describes; as a result his philosophical stance as a skeptic barely matters. The narrator's main function, it may seem, is to give Burgess a way of disavowing responsibility for the accuracy and shape of this most disappointing novel.

*Michiko Kakutani is on the staff of The New York Times.*

### Solution to Last Week's Puzzle



## WEATHER

[illegible]

*Via Agence France-Presse Oct. 4*  
Closing prices in local currencies unless otherwise indicated.

[illegible]

**PEANUTS**

I'VE COMPILED THE STATISTICS ON OUR BASEBALL TEAM FOR LAST SEASON...

IN TWELVE GAMES, WE ALMOST SCORED A RUN.. IN NINE GAMES, THE OTHER TEAM ALMOST DIDN'T SCORE BEFORE THE FIRST OUT

IN RIGHT FIELD, LUCY ALMOST CAUGHT THREE BALLS AND ONCE ALMOST MADE THE RIGHT PLAY..

WE LED THE LEAGUE IN "ALMOSTS," CHARLIE BROWN!

© 1975 by Charles M. Schulz. All rights reserved.

HOW'D YOU LIKE THE TREMENDOUS GAME YESTERDAY?

I WAS LIKE THE LITTLE GIRL WHO GOT BITTEN BY A COCKROACH!

HE WAS AWESOME!

HARD DRIVING AND RELENTLESS!

NOTHING COULD STOP HIM!

PITY ANYONE WHO GOT IN HIS WAY!

ON HIS WAY TO THE NEXT TABLE

LIKE DAGWOOD!

DAVE COVERLY

WHO'S THAT OUT THERE?

THE COMPANY RUNNER, SIR

OH...THAT EXPLAINS THAT!

MAY 1992

Panel 1: A man in a suit and hat is talking to a woman in a dress. A speech bubble from the man says "KNOW YOURSELF, THAT'S MY GUIDING PRINCIPLE."

Panel 2: The man is running away from the woman, looking back over his shoulder. A speech bubble says "CARE TO JOIN ME FOR A DRINK, LADY?"

Panel 3: The man is running away from the woman, looking back over his shoulder. A speech bubble says "WE'VE GOT MORE WHISKY THAN WE NEED TO OCCUPY US. I'M AFRAID YOU'LL HAVE TO FIND SOME OTHER PLACE TO DRINK ON."

Panel 4: The man is running away from the woman, looking back over his shoulder. A speech bubble says "HIS A BLOW WHOSE? BUT HESN'T TALK ABOUT IT ANYWHERE ELSE."

Panel 5: The man is running away from the woman, looking back over his shoulder. A speech bubble says "HIS A BLOW WHOSE? BUT HESN'T TALK ABOUT IT ANYWHERE ELSE."

Text in the first panel: "LICENSED CARTOONISTS OFFICE"

Text in the fifth panel: "© 1989 Gary Larson. Reprinted by permission of NEA. All rights reserved." and "5"

I NOTICE THAT THE ENVELOPE IS STILL SEALED. CLAUDIA? WHY DIDN'T YOU PICK UP AND OPEN IT AFTER BRADY LEFT?

I WAS ABOUT TO DO SO—WHEN YOU WALKED IN!

WHAT WOULD YOU HAVE DONE WITH IT?

I DON'T KNOW! I MAY HAVE SNORTED SOME POWDER IT ALL DOWN THE SINK! AND THAT MIGHT BE THE FIRST HONEST THING I'VE SAID ABOUT MY PROBLEM IN OVER A YEAR!

*Detective*

© 1987 American Republics, Inc.

**GARFIELD**

NOTHING CAN HARM ME AS LONG AS I HAVE MY LUCKY SPECIAL STICK

SNAP!

THEY DON'T MAKE LUCKY SPECIAL STICKS LIKE THEY USED TO

JIM DAVIS '64-5

[illegible]

**SATURDAYS FORECAST** — CHANNEL: Slightly choppy, FRANKFURT: Partly cloudy, Temp. 22 — 13 (7 — 53), LONDON: Partly cloudy, Temp. 19 — 14 (59 — 57), MADRID: Fair, Temp. 14 — 7 (57 — 45), MILAN: Partly cloudy, Temp. 13 (55 — 55), PARIS: Fair, Temp. 22 — 14 (72 — 57), ROME: Fair, Temp. 26 — 14 (79 — 57), TEL AVIV: NA, ZURICH: Thunderstorms, Temp. 22 — 13 (72 — 55), BANGKOK: Partly cloudy, Temp. 25 — 25, HONG KONG: Partly cloudy, Temp. 25 — 25, MANILA: Thunderstorms, Temp. 22 — 25 (72 — 77), SEOUL: Fair, Temp. 23 — 14 (73 — 57), SINGAPORE: Thunderstorms, Temp. 31 — 24 (88 — 75), TOKYO: Showers, Temp. 23 — 17 (77 — 63).

BHW-Sankt	797	300			Prudential	689
BHW	486,59	486			Royal Elect	146
Commerzbank	255	247			Sandstein	\$761
Dresdner Bank	152,59	152			Reinik	1
Gallmeister-Bank	106	N/A			Renzi	62
Oesawa	142	142			Restlers	317
Deutsche Babcock	177	N/A			Rental Switch t	45 155
Deutsche Bank	624,98	625			RIT2	561
Dresdner Bank	314,50	315			Santochi	330
Hamburger Bank	180,99	187,50			Sainsbury	12
AEGI			750	750	Santa Brigitta	2
Anglo American			2225	2210		
Anglo Am Gold			18000	17000		
Barlows			1110	1120		
Bentley			1419	1419		
Burwells			7275	7100		
Die Beers			1210	1225		
Driftenstone			125	125		

[illegible]







